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AUSTRALIA

BRIEFS

SMALL ARMS FOR ARMY--The Australian Army's firepower is to be boosted with the introduction in 1989 of new weapons from Belgium and Austria. The Belgian Minimi light machinegun and the Austrian Steyr automatic rifle will replace a range of existing small arms. Those weapons will be manufactured under license in Australia at a total project cost of the equivalent of U.S. $110 million. The army will buy 67,000 rifles and 3,200 light machineguns. The defense minister, Mr Beazley, said the small arms factory at Lithgow in New South Wales would be prime contractor for the new weapons while the government ammunition factory in Melbourne would produce their 5.56 mm ammunition. Mr Beazley said the Steyr rifle was lighter and more accurate than the Belgium designed FN rifle which is now in use. [Text] [Melbourne Overseas Service in English 0830 GMT 2 Dec 85 BK] /9599

AID AGAINST EEC DUMPING--The national meat marketing authorities of Australia and New Zealand are to support moves in Canada against the dumping of subsidized beef from the European Economic Community. The Australian Meat and Livestock Corporation and New Zealand's Meat Producers Board have agreed to cooperate on the issue. They are seeking legal advice on the best way of supporting action taken by Canadian cattle producers under Canada's Trade Law system. The deputy managing director of the Australian corporation, Dr (Bruce Stanton), says the legal action by the Canadian producers is aimed at stopping further dumping of subsidized EEC beef. Dr (Stanton) says the dumping over the past 18 months has been bringing down beef prices in Canada--an important market for both Australia and New Zealand. Australian beef sales to Canada this year are expected to be worth about $55 million, and New Zealand's sales are expected to be worth slightly more. Dr (Stanton) says Australia will also raise the issue of EEC beef dumping at the meeting of the International Meat Council that starts in Geneva next Monday. [Text] [Melbourne Overseas Service in English 0830 GMT 6 Dec 85] /9599

PROTEST HELD OUTSIDE INDONESIAN CONSULATE--Members of Australia's East Timorese community and supporters of independent East Timor have staged a protest outside the Indonesian consulate in Sydney to mark the 10th anniversary of Indonesia's invasion of the former Portuguese colony. In Melbourne, [words indistinct] of groups concerned about alleged human rights abuses in East Timor are planning to lay a wreath in the city's square. [Text] [Melbourne Overseas Service in English 0830 GMT 7 Dec 85] /9599

CSO: 4200/367

TRADE GAP WIDENS

Sydney THE SOUTH SEA DIGEST in English 15 Nov 85 p 4

[Text]

Fiji's trade gap widens...

Fiji's visible trade deficit for the first nine months of 1985 to September 30 stood at $F167.3 million, $3.2 million, or 2% more than for the corresponding period last year despite an increase of $4 million, or 2.1% in exports. Exports, including re-exports, totalled $197.4 million and imports $364.7 million, $7.2 million up on the 1984 figure. Increases were recorded under the sections on imports of manufactured goods classified chiefly by material, up $6.2 million (from $66.8 million to $73.0 million); mineral fuels, up $6.2 million (from $79.3 million to $85.5 million); foodstuffs, up $1.5 million (from $55.0 million to $56.5 million); beverages and tobacco, up $0.5 million (from $2.6 million to $3.1 million); animal and vegetable oils and fats, up $0.2 million (from $7.1 million to $7.3 million) and machinery and transport equipment, up $0.1 million (from $63.8 million to $63.9 million).

Exports included 306 818 tonnes of raw sugar, valued at $77 million, and accounting for 56.1% of total exports, 1388 kg of unrefined gold worth $16.3 million, 2428 tonnes of prepared and preserved fish worth $8.7 million, 8911 tonnes of coconut oil worth $6.8 million and 109 766 tonnes of molasses worth $5.5 million.

Australia's share of the Fiji market was $126.8 million (34.8%) followed by New Zealand $63.8 million (17.5%), Japan $53.4 million (14.6%), United Kingdom $20.9 million (5.7%), Singapore $19.2 million (5.3%), United States $16.7 million (4.6%), Taiwan $8.4 million (2.3%), People's Republic of China $7.9 million (2.2%) and Hong Kong $6.4 million (1.8%).

/12379
CSO: 4200/361

PDI STILL UNDECIDED ON HOLDING CONGRESS

Jakarta KOMPAS in Indonesian 18 Oct 85 p 1

[Text] Jakarta, KOMPAS—The government is consistent in its policy of not interfering with the Indonesian Democracy Party [PDI] in its desire to hold a congress or national conference [MUNAS].

A senior official of the Department of Home Affairs [DEPDAGRI] emphasized this yesterday in response to a KOMPAS question about PDI's desire to convene a congress or MUNAS.

He said that PDI leaders had submitted a report on the activities of the party, and they are scheduled to hold the Third PDI Congress in January 1986. "The government continues to 'influence from behind.'"

Nevertheless, he cautioned the PDI to examine its ability to hold a congress or MUNAS.

The PDI constitution and bylaws make a distinction between a congress and a MUNAS. A congress is called every 5 years and is attended by leaders from headquarters and from regions at levels I and II. A MUNAS is convened after a year in which a congress is not held but does not include leaders from level II regions.

"Since a congress or MUNAS is an internal matter, the government's policy is to 'influence from behind.' The DEPDAGRI does not want to interfere but always observes developments in sociopolitical forces involved in general elections," the DEPDAGRI senior official said.

No Agreement Yet

PDI headquarters and regional leaders themselves have not reached an agreement on whether a congress or MUNAS should be held.

Those who want a congress point to provisions in the constitution and bylaws as a basis. The leaders selected in the Second PDI Congress will end their term in January 1986, and a congress affords an opportunity to settle all issues at one time.

The ones who desire a MUNAS point to, among other things, budget problems and the lack of time before the 1987 general election. A congress is very expensive, and the short time before the election will be to PDI's detriment in the election.

With respect to the budget question, the senior DEPDAGRI official said the government will give the same amount of aid to all sociopolitical forces. The government also assisted the First PPP [Development Unity Party] Congress in Ancol, but the official refused to divulge the amount. "I forget," he said, eluding the question.

Must Consolidate

The PDI Research and Development Board stated in a letter to members of the PDI faction in the DPR [parliament] that the PDI must consolidate if it wants to win in the 1987 election.

In its letter, No. 01/LITBANG/X/1985, dated 14 October 1985 and signed by Drs H. I. Soejono (managing director) and Engr Tarto Sudiro (secretary), the board also said that the PDI must rid itself of factional tendencies and hold a congress in accordance with its constitution in order to achieve a renewal of leadership. The letter called on PDI members in the DPR to provide input in order to supplement data previously gathered.

DPD Letter

Meanwhile, eight members of the PDI DPD [Regional Executive Board] in Lampung declared that the Third PDI Congress should be held on time at the beginning of 1986.

The statement contradicted a report submitted to the DPP [Central Executive Board] general chairman by the chairman of the Lampung PDI DPD, in which he asked, among other things, that the congress be postponed until after the 1987 election.

They felt the report had been drafted without consulting regional party leaders.

6942
CSO: 4213/38

INDONESIA

MOKHTAR'S NEWS CONFERENCE ON PRC, CAMBODIA

BK060411 Jakarta BERITA BUANA in Indonesian 30 Nov 85 pp 1, 8

[Excerpts] Jakarta--Foreign Minister Mokhtar Kusumaatmaja has reiterated that Indonesia condemns all forms of terrorism. Mokhtar was answering questions on the hijacking of an Egypt Air Boeing-737 plane and terrorism in his weekly press conference in the Foreign Affairs Department at Pejambon, Jakarta, on Friday [29 November].

"Indonesia's attitude toward air piracy is very clear, and this has been reflected in the Indonesian Government's firm action in dealing with two air hijackings in Indonesia," Mokhtar said.

Asked about PRC's support for communists in Indonesia, the foreign minister said he is inclined to believe that China has no longer helped the communists in the country. However, he said he has never received a clear statement from China that it no longer supports the Indonesian communists. He merely based his opinion on Chinese leader Hu Yaobang's statement while on a visit to Australia some time ago.

Mokhtar said further that direct trade links with China are only designed to enable Indonesia to promote its nonoil and nongas exports by exploring new markets as a result of declining oil prices.

Meanwhile, Foreign Minister Mokhtar said that Cambodia has not yet responded to Indonesia's readiness to host a meeting among all Cambodian factions.

The meeting, known as a "cocktail party" meeting, was initiated by CGDK leader Norodom Sihanouk. It is designed to achieve national reconciliation to resolve the Cambodian issue.

Sihanouk initially intended to invite the other Indochinese countries, the PRC, the ASEAN countries, and the Soviet Union, Mokhtar said. On the other hand, Indonesia holds that such a meeting should be attended by all Cambodian factions, including the Heng Samrin regime in Phnom Penh.

Mokhtar added that the "cocktail party" idea is not an alternative to the "proximity talks."

/9599
CSO: 4213/47

DAILY VIEWS OUTCOME OF MAHATHIR'S PRC VISIT

BK070521 Jakarta SINAR HARAPAN in Indonesian 27 Nov 85 p 6

[Editorial: "The Communist Party of China Is Unwilling To Sever Links With the Communist Party of Malaya"]

[Text] We in Indonesia have closely watched Malaysia's experiences since our neighboring country established diplomatic relations with the PRC in 1974, not just because of the special problem we have had with the PRC since the 1965 incident, but also because there are similarities in the problems experienced in Sino-Indonesian and Sino-Malaysian relations.

That explains why we paid great attention to what Malaysian Prime Minister Mahathir Mohamed said in Beijing before ending his 8-day visit to the PRC, a visit in which he was accompanied by a group of 130 businessmen. Apart from discussing the relations between the PRC and the outlawed Communist Party of Malaya [CPM], the visit was primarily aimed at upgrading bilateral trade relations.

Has Prime Minister Mahathir succeeded in obtaining assurances from the PRC that it will no longer maintain contacts with and support the outlawed party? Speaking in Beijing, Mahathir Mohamed said that the PRC has not yet agreed to sever existing links between the Communist Party of China [CPC] and the CPM.

As we all know, Beijing always distinguishes between relations between the PRC and other countries, including Malaysia, and relations between the CPC and the communist party existing in that particular country.

In this regard, Mahathir Mohamed said that he had received Beijing's assurances that it will no longer support communist guerrillas in Malaysia. He himself expressed confidence that the current PRC leadership does not extend assistance to the CPM, which is receiving support not from Beijing, but from ethnic Chinese living in Malaysia itself.

Will such a situation not complicate Sino-Malaysian relations in the future? Mahathir says it was a small matter that can be tackled easily. But Mahathir also knows that the PRC might well change its current stand, so Malaysia must remain vigilant.

All this was apparently Mahathir Mohamed's main achievement as far as relations between the CPC and CPM are concerned. So he also paid serious attention to bilateral trade links.

What he achieved in this area was an agreement to upgrade direct bilateral trade links by discontinuing entrepot trade through Singapore and Hong Kong, which earlier controlled the flow of goods between the PRC and Malaysia. Malaysia also urged the PRC to conduct countertrade and to use ships belonging to the two countries for shipping commodity goods. The PRC also granted Malaysia's request for Beijing to limit its tin exports.

It can be said that even though the CPC remains unwilling to sever its links with the outlawed CPM, Mahathir's visit to Beijing apparently has improved bilateral relations, as evidenced by the agreement to upgrade direct bilateral trade links.

We in Indonesia are trying to upgrade trade relations with the PRC without normalizing diplomatic relations. Both Malaysia and Indonesia actually want the PRC to sever its links with the outlawed communist parties existing in the ASEAN region. We are different from Malaysia in our approach--Malaysia decided to normalize diplomatic ties with the PRC and capitalize on these ties to urge the PRC to sever its links with the outlawed communist parties in the ASEAN region, whereas we are willing to normalize diplomatic ties with the PRC only if it has severed its links with communist parties in the region. What Malaysia has achieved after 11 years of normalization of diplomatic ties with the PRC does not convince us of the effectiveness of its approach.

/9599
CSO: 4213/47

CONSTRUCTION OF 50 MORE TV RELAY STATIONS PLANNED

Jakarta ANTARA NEWS BULLETIN in English 10 Nov 85 p A5

[Text] Jakarta, 9 Nov (ANTARA)--The government plans to build another 50 television relay stations in the current Fourth Five-Year National Development Plan period to further expand coverage which at present reaches only 27 per cent of the territory of the country.

There are now only 203 relay stations in the different parts of the country, Director General for Radio, Television and Film Affairs Subrata said on the occasion of the signing of a cooperation agreement between him and the Director General for Post and Telecommunication here Saturday.

At the same time Subrata also signed an Agreement on the use of the Palapa Satellite with the Telecommunications Public Corporation.

Subrata said only 101.9 million out of the 160 million population of the country are covered by the 204 relay stations.

With the additional 50 stations, he added, the Indonesian television will cover 37 per cent of the entire territory, or 114 million more people.

As regards radio broadcasts, he said the government has at present 49 broadcasting stations of a total capacity of 2,921 kilowatts.

The government is at present also giving guidance to some 560 non-RRI radio stations, 394 of which are members of the Indonesian National Private Radio Association.

President Director of the Telecommunications Public Corporation (Perumtel) Willy Munandir, meanwhile, said since the Palapa domestic satellite communication system went into operation in 1976, Indonesia entered into a new phase in the distribution of information.

He said the new phase provides the theoretical possibility that the entire territory of the country could receive different kinds of information from the existing telecommunication system, radio or television broadcasts.

He said while in the beginning of the operations of the Palapa domestic satellite communication system the area covered reached only 50,000 square kilometres, or only about 40.5 million people. Since the Palapa B satellite went into service, the scope covered 550,000 square kilometres, or 115 million people.

The success, he said, was particularly thanks to a close cooperation between the television service (TVRI) and Perumtel.

The Perumtel chief further stated that the cooperation signed with the Director General for Radio, Television and Film Affairs is a most useful form of cooperation and should be further promoted in the future.

The cooperation covers the use of various transmission facilities, such as the transponder of Palapa B-I, the Television Satellite Broadcasting Station in Jakarta, the Television Satellite Receiver and the RVRI broadcasting station.

/9274
CSO: 4200/385

MINISTER OF JUSTICE ON HANDLING OF ILLEGAL IMMIGRANTS

Jakarta SINAR HARAPAN in Indonesian 18 Oct 85 pp 1, 12

[Text] Jakarta, 18 Oct—The 1324 aliens who have entered Indonesia illegally represent 18 nationalities, 2 of which are termed "stateless." Most of these illegal immigrants, 1285 of them, are citizens of the PRC.

Five of the PRC citizens hold Indonesian passports. They were arrested at Soekarno-Hatta Airport on 30 June 1985.

The nationalities of the others are as follows: the United States (1), the Netherlands (1), Chile (1), Ghana (1), Hong Kong (1), the UK (1), India (1), Japan (3), West Germany (2), Malaysia (6), Pakistan (1), France (2), Singapore (3), Suriname (1), Taiwan (2), Tanzania (2), and Thailand (8).

Forty-four of the 1324 illegal immigrants are being held at the Deportation and Repatriation Detention Quarters operated by the Directorate General for Immigration of the Department of Justice. The remaining 1280 people are under external detention and must report routinely to their local Immigration Offices.

External Detention

Most of the illegal immigrants who are PRC citizens live in Bandung (946 people). The others live in Jakarta (217), Semarang (26), Surabaya (79) and Yogyakarta (6). For the most part, they are under external detention and compulsory reporting because of limitations on funds for accommodating them in detention quarters. Detention in such quarters is quite expensive.

"The principle is that illegal immigrants should not be allowed to move freely in the community," Minister of Justice [MENKEH] Ismail Saleh told SINAR HARAPAN on Thursday [17 October] in Jakarta.

In order to solve the problem of accommodating illegal immigrants and to facilitate watching them, President Soeharto on 25 January 1982 issued KEPPRES [presidential directive] No. 5/1982 designating a TBS [temporary place of residence] for foreigners who have illegally entered Indonesia or who illegally remain in Indonesia, pending their expulsion.

Sumba Island

The KEPPRES also directed that, pending expulsion, illegal immigrants be sent to Kondamaloba and Malinjak Villages, Katiku Tana Subdistrict, West Sumba Regency, NTT [East Nusa Tenggara] Province.

For the implementation of KEPPRES No. 5/1982, the minister of justice and Minister of Home Affairs Soepardjo Rustam on 7 October 1984 issued a joint directive establishing a TBS on Sumba Island. After meeting with MENKEH Ismail Saleh at the Department of Justice on Thursday morning , Dr Ben Mboi, governor of NTT, told SINAR HARAPAN that all preparations for establishing the TBS on Sumba Island have been completed.

"The surrounding community will accept the presence of the illegal immigrants because the national interest is involved," said Ben Mboi. He admitted that the preparation of land and the dissemination of information to the community will require considerable time.

Identification of a 5,000-hectare area in Katiku Tana Subdistrict, planning for relocation of about 60 families from that area, and compilation of a budget are complete. "Besides reporting these preparations to the minister, I also asked for the 'green light' to get started right away," the NTT governor declared.

The governor hoped that the new location for the approximately 60 families being displaced will be better than, or at least as good as, their original one. New housing will be built, plus a church, elementary school, PUSKESMAS [community clinic], and other facilities they possessed previously.

The location of the Katiku Tana TBS is isolated enough to keep the illegal immigrants from mingling with the community. Ben Mboi said that the MENKEH is to visit the TBS site about 18 November.

The TBS is 4 hours by road from the town of Waingapu. Waingapu can be reached by unscheduled Bouraq and MNA [Merpati Nusantara Airlines] flights from Kupang, capital of NTT, or by a 2-day voyage by ship via the Sawu Sea. Sumba Island is among the southernmost of Indonesian islands that face the Indian Ocean. To the north, the Sumba Strait separates Sumba from Komodo and Flores Islands.

All To Be Moved

The MENKEH said that when the Katiku Tana TBS is completed most of the illegal immigrants now scattered in several Indonesian cities will be moved there. "We will try to ensure that illegal immigrants will not be continuous burdens on the state in the future," Ismail Saleh said.

He explained that the repatriation of aliens from the TBS on Sumba will not be the responsibility of the government. In accordance with KEPPRES No. 5/1962 and Joint Directive of the MENKEH and MENDAGRI [minister of home affairs] No. 73/1984, illegal immigrants there will be given the opportunity to support themselves by farming and raising fish or livestock, subject to applicable regulations. The proceeds will be only for meeting their daily needs.

They are prohibited from investing. Those who have skills may use them, subject to applicable laws. Those who cannot yet support themselves will be given assistance for a maximum of 6 months.

"We do not intend to support them there for the rest of their lives. The TBS is a place where they wait until their governments arrange for their repatriation," said the minister. He also stated that illegal immigrants who have been tried and are now serving their sentences cannot yet be repatriated.

If illegal immigrants are not kept at detention quarters, they will move about in the community and may be arrested again as illegals. "We are tired of spending large amounts of money. The chain must be broken. The Katiku Tana TBS has a part in that," he said.

The minister admitted he found various excesses involving the illegal immigrants when he made an unannounced inspection of the detention quarters at Kalideres, Tangerang, West Java, at the beginning of June. "They were able to move about as they pleased, and there were some who misused the services afforded them."

6942
CSO: 4213/38

NU CHAIRMAN ON GOLKAR'S POSITION TOWARD RELIGION

Jakarta PELITA in Indonesian 18 Oct 85 pp 1, 8

[Text] Jakarta, PELITA—H. Abdurrahman Wahid, chairman of the executive board [PB] of the Nahdlatul Ulama [NU], stated that at first many people expected GOLKAR to sweep away the role of religion in the life of the people in the name of accelerated modernization. "It turns out, however, that GOLKAR supports the view that the process of modernization requires religion to play a certain role," he told PELITA on Thursday [17 October].

Temptation to GOLKAR

In reply to a question related to the celebration of the 21st anniversary of GOLKAR on 20 October, the senior PBNU leader noted that the process of modernization without a role for religion is not an easy one. In such a process, he said, the temptation to serve the sectorial interests of religious groups will be very apparent. "The outcome will be the repeating of the history of conflicting interests among religious groups themselves," he declared.

The Muslim scholar, who is known for his views on national integration, hoped that the possibility of such temptations will be noted by GOLKAR, which is a large organization facing complex challenges.

Individual Service

When asked for his opinion of GOLKAR, Abdurrahman Wahid said that GOLKAR had demonstrated integrity in political matters and thoroughness in its organization. As a system, GOLKAR operates well. But its service to the community on an individual basis needs further work, because its service so far has been directed toward the community only in a "macro" fashion.

In recognition of GOLKAR's anniversary, he said the NU sees GOLKAR as having made an impression as an organization that respects religious aspirations.

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CSO: 4213/38

GOLKAR OFFICIALS DESCRIBE RECRUITMENT, TRAINING OF CADRES

Jakarta SUARA KARYA 18 Oct 85 pp 1, 11

[Text] Jakarta, SUARA KARYA—The cadre program now being implemented by GOLKAR is not merely a formality but is in fact inspired by the GOLKAR and PARPOL law and the GBHN [Outline of State Policy], which stipulate that a SOSPOL [sociopolitcal] force must have an orderly administration of its membership.

Through its "cadre-ization", GOLKAR will also be able to stabilize its presence at the lowest levels of the community and accommodate actual, vital aspirations of the people.

Engr Sarwono Kusumaatmadja, secretary general of the GOLKAR DPP [Central Executive Council], and Engr Rachmat Witoelar, leader of the OKK (Organization, Membership and Cadre Recruitment) Department of the GOLKAR DPP, gave this explanation in a recent interview with SUARA KARYA in Jakarta.

The cadre program will at the same time provide for orderly administration of membership, enabling identification and maximum utilization of every GOLKAR member. This is expected to remove the impression that some members are being left out.

The two leaders said that "cadre-ization" is a difficult mandate from the MUNAS [National Conference] but that it must be carried out. The problem is the lack of an adequate model. Methods, systems, curricula and recruiting of teachers therefore must be undertaken right from the beginning.

Quantity as well as quality much be achieved. "If we chose only one of those, it might not be too hard, but the problem is we have selected both quantity and quality," said Rachmat Witoelar. The choosing of both goals makes it difficult to define intellectual criteria for cadres.

GOLKAR's first target is KARAKTERDES [Village Territorial Cadre] training, in which the objective is to reach the most basic stratum of the community.

By calculating each cadre's communication capability in the community, cadres should number at least 10 percent of the adult population, or 5 percent of the entire population. This means there will be 8 million cadres. A total of 500,000 instructors will be needed.

During the 1 and 1/2 year of the program, 6.5 million cadres have completed their training.

Materials

Cadre training requires four packets of materials. Packet A covers the state and nation through the use of P4 [Guidelines for Expressing and Practicing Pancasila] and GBHN. Packet B covers GOLKAR matters. Packet C deals with skills, and Packet D handles regional issues, using different materials for each region. The training, which lasts 3 or 4 days, consists of lectures and of discussions about the subjects presented.

Rachmat Witoelar regretted there is a view that GOLKAR can, with only 3 days of training, produce cadres who have mastered all the materials given them.

Cadre training is not limited to those 3 days but continues on through discussion groups formed following KARAKTERDES seminars.

He hoped that such discussions will produce mature viewpoints. It cannot be generalized that all group discussions have gone well. Although, according to reports, some groups have proceeded smoothly, many others have not been as active as they should have been.

Formality

The two GOLKAR figures disagree with the view that "cadre-ization" is merely a formality. Although terminology is different, the current program is an extension of earlier GOLKAR cadre efforts.

The difference is the serious effort now being made toward an orderly system of administration.

GOLKAR is now trying the use of computers to support the secretariat in its administrative operations. The computers are used to help secretariat personnel record data on members and cadres. "Since the system is easy to learn, everything is being handled by secretariat personnel. Complicated technology is not necessary," said Rachmat.

Sarwono feels the increasing enthusiasm being shown in becoming GOLKAR members and cadre is a positive indication that the community is interested in the organization.

He conceded that there are all kinds of motivation for joining GOLKAR, but GOLKAR does not harbor prejudice toward anyone.

GOLKAR is in principle an open organization. Anyone has the right to join, provided essential prerequisites are satisfied. "Joining GOLKAR is easy, but of course that is not true in the case of people who are 'marked,'" Rachmat Witoelar said.

He also stated that the administration of GOLKAR membership is not merely child's play or a bureaucratic exercise.

Such administration is an absolute necessity for an organization looking far into the future, and GOLKAR is moving in that direction. "Therefore, don't let a person try to get away with anything. Anyone who has two membership cards should report it, because it will be easily detected with the computer," he declared. "But we have not done the checking yet, because we are still waiting for lists to be submitted," Rachmat Witoelar added.

The two GOLKAR figures said that the cadre program is moving smoothly in the provinces. In fact, it is surprising that the cadres have shown such enthusiasm, resulting in millions of participants in a short time.

Senior GOLKAR people have given a positive reception to GOLKAR's ability to conduct this cadre program. For Djuhartono, Imam Pratignyo and Dr Amino Gondohutomo, who were among the founders of GOLKAR, "cadre-ization" was their aspiration. They are pleased that the effort is moving well, especially now that it is reaching all of Indonesia.

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CSO: 4213/38

STATE, PRIVATE BANKS CALLED ON TO HELP BUSINESSES

Jakarta ANTARA NEWS BULLETIN in English 9 Nov 85 p A7

[Text] Jakarta, 9 Nov (ANTARA)—The economic condition of Indonesia in 1986 is predicted to be worse than that this year because of the unfavourable situation of the world economy, particularly in oil trade, Governor of Bank Indonesia Arifin Siregar said here Friday.

The government is currently considering realistic steps to be taken in connection with the formulation of the 1986-87 draft budget, the governor of the Indonesian central bank stated further.

To help Indonesian businessmen overcome difficulties, Arifin Siregar called on state as well as private banks to give assistance to Indonesian entrepreneurs who were facing problems in carrying out their business activities.

For the purpose, the banks concerned should examine problems facing a company, since problems arising in a sector differ from those found in other sectors, he pointed out.

Problems currently arising in the business world are only temporary and the companies concerned will be able to cope with their difficulties when the economic condition has improved, he continued.

The Bank Indonesia governor mentioned the importance of rescheduling the repayment of debts to help companies short of funds install their debts in accordance with their income.

He admitted that the Indonesian Credit Insurance Company (Askrindo), which was set up by the government several years ago, had received claims from banks in connection with the unsmooth installments of credits from their financially weak consumers.

/9274
CSO: 4200/385

SUBROTO ON COAL PRODUCTION, DIVERSIFICATION OF ENERGY SOURCES

Jakarta ANTARA NEWS BULLETIN in English 9 Nov 85 p A6

[Text] Tanjung Enim, 9 Nov (ANTARA)--The production of coal in Indonesia is projected to increase from approximately 1.75 million tons this year to around 3 million tons in 1986, according to Minister of Mines & Energy Prof. Dr. Subroto.

He made the remark when [was attending a ceremony marking the start of the operation of a coal mining installation at the Bukit Asam coal mine, South Sumatera, Friday. [he

The Bukit Asam coal mine is expected to produce 500,000 tons of coal this year and the coal production is projected to increase to 1,000,000 tons in 1986 and 2.9 million tons in 1987, he said further.

The Bukit Asam coal mine began to resume its coal production in 1981, after having to stop its operation in 1970s, Subroto said, adding that the coal mine had made a success in resuming its production thanks to the hard work of its workers.

The minister pointed out that the diversification of energy sources as substitutes for oil had in the past three years shown satisfactory results.

The use of four important non-oil energy sources in Indonesia continues to go up every year, but on the contrary, the use of petroleum keeps on declining, Subroto pointed out.

The demand for energy for development activities in Indonesia in Pelita II (second five-year development plan--1974/75 to 1978/79), especially for the supply of electricity, was equivalent to around 223.6 million barrels of oil, he disclosed.

Around 74.7% of energy used at the end of Pelita II was generated from oil, 19.3% was created from natural gas, 5.2% was in the form of hydropower energy, 2% was in the form of geothermal energy and 0.5% was generated from coal.

In the first year of Pelita IV (1984-85), the Indonesian need for energy is estimated to be equivalent to 228.1 million barrels of oil.

For the supply of energy in the country in the first year of Pelita IV, the use of oil dropped to 72.8%, whereas the use of natural gas grew to 20%, hydropower energy rose to 6.1%, coal increased to 6.8% and geothermal energy went up slightly.

In the first semester of the 1985/86 fiscal year (April-September 1985), the consumption of oil in the country to meet the demand for energy is estimated to cover 69.7% of the whole energy supply.

The domestic consumption of coal to fulfill the need for energy increased considerably in the first semester of 1985/86, indicating a bright prospect for the use of coal in the procurement of energy in the coming years.

The President Director of PT Tambang Batubara Bukit Asam, C. Situmorang, disclosed meanwhile that the target of coal production from the coal mine had been set at 3 million tons/year.

About 80% or around 2.4 million tons of coal produced by the Bukit Asam coal mine will be supplied to the Suralaya thermal power plant in West Java every year from 1987, he said.

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CSO: 4200/385

FERTILIZER SUBSIDIES TO BE REDUCED

Jakarta ANTARA NEWS BULLETIN in English 10 Nov 85 p A6

[Text] Jakarta, 9 Nov (ANTARA)--The government plans in the near future to cut its fertilizer subsidies and use part of the assistance for other development purposes, Minister of Industry Hartarto said after receiving a souvenir plaque from the International Fertilizer Industry Association (IFA) here Saturday.

The plague presented by the association's vice president for Southeast Asia, Miquel M. Zosa, was a token of appreciation to Minister Hartarto for his merits in promoting the cooperation among the fertilizer producing countries who are members of ASEAN.

Without specifying the price of fertilizer bought by the government from the producers, the minister said the price will be lower than those prevailing at present.

But, he added, the price reaching the farmers will remain at Rp 100 per kg. IFA is an international organisation based in Paris.

There is a vice president in each region, and that for Southeast Asia is Miguel M. Zosa of the Philippines.

IFA has about 400 member companies from 66 countries, about two-thirds of the world, because the PRC, East Europe and the USSR are no members.

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CSO: 4200/385

INDONESIA

BRIEFS

MALAYSIAN PARAMOUNT RULER DEPARTS--Malaysian Paramount Ruler Sultan Iskandar, his royal consort, and their entourage left Jakarta for Kuala Lumpur this morning after an official visit to Indonesia since 3 December. Leaving Jakarta on a special F-28 plane, Sultan Iskandar was seen off by President Suharto and his wife at Jakarta's Halim Perdanakusumah Airport. The state guests bid farewell to President Suharto and his wife at the Merdeka Palace earlier in the morning. [Text] [Jakarta Domestic Service in Indonesian 1200 GMT 6 Dec 85] /9599

CSO: 4213/47

SRV OFFICIAL DESCRIBES AID TO ROAD BUILDING PROJECTS

BK050712 Hanoi Domestic Service in Vietnamese 0500 GMT 5 Dec 85

[Interview granted by (Le Ngoc Hoan), director of Communications United Enterprise No 8, to station correspondent--recorded]

[Summary] [Question] "Comrade director, on the occasion of the LPDR's 10th national day, can you tell Voice of Vietnam listeners about the international duty of Communications United Enterprise No 8 in helping the LPDR build roads?"

[Answe4] Over the past 20 years the Communications United Enterprise No 8 has been assigned the honored task of carrying out the international obligation to strengthen the communications and transportation network in Laos. During the anti-U.S. war of resistance, our enterprise ensured safe transportation on many important roads from various liberated areas in Laos to the battlefields, thereby contributing to brilliant military exploits in many localities and the great victory of the Lao revolution in 1975.

"Implementing the Vietnam-Laos treaty of friendship and cooperation and the CPV Central Committee Political Bureau's resolution No 10 on comprehensively strengthening Vietnam-Laos-Cambodia cooperation, and for the purpose of cooperating and comprehensively helping the fraternal Lao people on a long-term basis, our enterprise has carried out many projects. We have surveyed and built more than 2,300 km of roads; constructed and handed over to Laos many important routes, such as routes No 6, 7, and 217, and the 500-km Namneun-(Muang Hiam) road on highway No 1."

[Question] Can you tell us about the major features of Route No 8, which the enterprise is now building for Laos?

[Answer] "Route No 8 is a very important road for Vietnam-Laos comprehensive cooperation. This is one of the most convenient roads for Laos in terms of its economic transportation to the sea to the East. This road cuts across two countries. The section in Laos is 132 km, linking route No 13 with (Keo Neua), bordering Vietnam. The section in Vietnam will link (Keo Neua) with Cua Lo Port. The completion of Route No 8 will rapidly increase transportation capabilities between the two countries and the volume of Lao export timber, thereby contributing effectively to Laos' economic development program."

To effectively carry out the managerial work, the Vietnamese and Lao council of states have assigned the ministries of communications and transportation of the two countries to set up a joint construction committee to overcome numerous difficulties and accelerate the completion of this project.

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CSO: 4209/154

LAOS

BRIEFS

KAYSONE GREETS CUBAN DELEGATION--Kaysone Phomvihan, secretary general of the Lao People's Revolutionary Party, met in Vientiane with Juan Almeida Bosque, member of the Communist Party of Cuba Politburo and vice president of the Council of State. Kaysone Phomvihan greeted Almeida and the other members of the Cuban delegation on the 10th anniversary of the revolution of the Lao People's Democratic Republic. [Text] [Havana Radio Progreso Network in Spanish 1200 GMT 2 Dec 85 FL]/12766

CSO: 3248/109

INDOCHINESE 'INFORMAL COCKTAIL PARTY' PRAISED

BK041207 Kuala Lumpur International Service in English 0800 GMT 4 Dec 85

[Station Commentary]

[Text] There is still no response nor signals of any sorts from Vietnam to the proposal that the long drawn out issue of Kampuchea should be discussed at an informal cocktail party.

The proposal was mooted originally by Prince Norodom Sihanouk and it has won favor with ASEAN members. Indonesia has been particularly enthusiastic by offering to host the party. The Malaysian foreign minister, Tengku Ahmad Rithauddeen, has pledged Malaysia's support too. The picture is very clear. The ASEAN states are prepared to consider any idea that will bring Hanoi to the negotiating table. Similarly, it is felt that the various Kampuchean factions should be afforded the opportunity to come together and engage in face-to-face talks. It is nearly 9 years since the Vietnamese moved their armed forces into Kampuchea.

While the Vietnamese ally or collaborator, Heng Samrin, claims to represent one faction, he is opposed by the tripartite coalition government headed by Prince Norodom Sihanouk. The great danger to Kampuchean nationhood and even the Kampuchean identity is that this division could solidify and make national unity impossible unless the problem is resolved speedily. The division that had created two Germanies and two Koreas are a grim reminder of what could transpire in Kampuchea as well.

The cocktail party proposal was mentioned by President Suharto to Prime Minister Rajiv Gandhi when the Indonesian head of state visited New Delhi more than 2 weeks ago. The matter had been brought up in the talks the Indian prime minister had in Hanoi in the course of his official visit to Vietnam. Indonesia's foreign minister, Mokhtar Kusumaatmaja, has been advocating a meeting that would involve only Vietnam and the opposing Kampuchean factions. There is merit in this plan which obviously seeks to exclude, initially at least, the superpowers such as China and the Soviet Union. If their past behavior is any indication, the Soviets would simply abuse the gathering, meant to discuss a peaceful settlement, by attacking any party that is opposed to Soviet policy in Indochina and the Indian Ocean.

Meanwhile, Hanoi has used Mr Rajiv Gandhi's visit to Vietnam for obtaining the highest possible diplomatic mileage. India is the only nation outside the Soviet bloc that recognizes Hanoi's puppet government in Phnom Penh. Doubtless that policy serves Indian diplomacy which accords priority to friendship with the Soviet Union. It therefore did not come as a surprise to most observers that Hanoi used Mr Gandhi's visit to publicize the famous statement about pulling out all its troops from Vietnam by 1990 or even earlier.

The heart of the matter is that no country, after using armed forces on another nation and occupying it, has any right to fix a timetable about withdrawal. There are several UN assembly resolutions representing the collective role of the international community which calls on Vietnam to move out of Kampuchea forthwith. Therefore, ASEAN, while willing to support cocktail parties and other ideas in principle, believes that there can be peace and stability in Southeast Asia only if Vietnam withdraws its troops from Kampuchea.

/12766
CSO: 4200/351

PRIME MINISTER COMMENTS ON BALING INCIDENT

BK031537 Kuala Lumpur NEW SUNDAY TIMES in English 1 Dec 85 p 1

[Article by Norhawa Yunus]

[Text] Kuala Lumpur, Sat.--The recent incident in Baling in which 18 people, including four policemen, lost their lives, was political in nature, the prime minister said today [30 November].

He dismissed claims by some quarters that the root cause of the incident was rural poverty, saying that rural poverty had existed since the days of the British.

"It is an old story. Rural poverty has existed since British rule. Why was there no such incident before?" he asked.

"Rural poverty has been there for ages," he said.

Datuk Sri Dr Mahathir Mohamad pointed out that there were other areas where there was rural poverty but the people were supporters of the government.

"Because we are liberal...we are democratic, they take advantage," he told newsmen after opening the 7th Asean Chamber of Commerce and Industry Conference at the Shangri-La Hotel.

The prime minister also blamed extremism for the incident.

"The main thing is because of the extremism of these people. It is related to politics," he added.

"One cannot dissociate completely the fact the Ibrahim Libya was a PAS [Pan Malaysian Islamic Party] candidate before. PAS does not support this kind of action, the fact is that he (Ibrahim Libya) got carried away," he said.

On PAS' call for a Commission of Inquiry into the incident, Dr Mahathir said that matters like that would have an official inquiry.

"What we do not want to do is make a public show of this inquiry so that political parties could have a field day.

"What PAS wants is a political issue for it to sensationalise and not an inquiry," he said.

"They are not interested whether this country is peaceful or not."

The prime minister also said that it would appear that PAS supported such activities because it had not condemned it outright except for one party official who said that the incident was not related to PAS.

PAS deputy president Haji Fadzil Noor had said that the party had no connection at all with the activities of the people sought by the police and that the party members involved had acted on their own and not on any directives.

Dr Mahathir also dismissed as "sheer rubbish" claims that those who were killed had died in a holy war.

"What holy war? What is so holy about killing policemen performing their duties?" he asked.

He said resisting arrest was a criminal act and nobody should resist arrest.

The Baling incident, he added, started from an act of resisting arrest, causing the police to move in.

In doing so the police were careful not to hurt people so much so that some members of the police were killed.

"It is very unfortunate."

In the incident on Nov. 19, four policemen and 14 people were killed in a five-hour operation against 37 wanted men and their followers at Kampung Memali, Ceruk Puteh in Baling.

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CSO: 4200/351

MALAYSIA

BRIEFS

WARNING AGAINST FLUCTUATING OIL PRICES--Datuk Sri Dr Mahathir Mohamed has called for the stabilizing of the petrodollar as the present price fluctuation has not and will not benefit the oil producers and developing countries. He warned that the present fluctuating price problem, if left unchecked, might result in the oil market following the footsteps of the tin market, which broke down recently. He said that everyone would be better off if prices remain steady at a level that would neither make the producers nor the poor consumers suffer. The prime minister was opening the third ASEAN Council of Petroleum Conference at the World Trade Center in Kuala Lumpur today. The 4-day meeting is being attended by 800 delegates and observers from the ASEAN region and 30 other countries. Datuk Sri Dr Mahathir recalled that when the price of a barrel of petroleum was once $30, the price escalation benefited the developed countries, which again were the biggest beneficiaries when the price went down. A barrel of oil now costs only $26. Fluctuation of petroleum price has also been accused of causing recession for poor countries, but when the price went down, it had not, as expected to, helped stabilize the world economy, much less reverse the recessionary trend. [Text] [Kuala Lumpur Domestic Service in English 1130 GMT 2 Dec 85 BK]/12766

SECURITY ACT DETAINEE STATISTICS DISCLOSED--All 149 people, detained under Section 57 of the Internal Security Act since 1960, have been proven to be involved in subversive activities or organized terrorism. Deputy Home Affairs Minister Datuk Radzi Sheikh Ahmad told the Dewan Rakyat [House of Representatives] that 493 people have been charged under the firearms [words indistinct] Act since 1971 so far. Homemade firearms (?that are considered serviceable) are included under the act. Datuk Radzi also said that the government is capable of combating piracy in Malaysian waters. [Text] [Kuala Lumpur Domestic Service in English 1130 GMT 2 Dec 85 BK]/12766

NEW TIN PROPOSALS--The International Tin Council [ITC] creditors have set forth a new proposal for sorting the Tin Council's financial problem and allow tin trading to resume. Officials representing 16 financial institutions met in London with council's delegates who have been holding discussions since Monday [1 December]. According to reports, the creditors plan involved having the Tin Council's 22-member countries buy the 42,000 tons of tin that the creditors hold as collateral. Delegates said one of the main ideas for resolving the tin crisis was for the creditors, the member governments, and London Metal Brokers--owed money by the Tin Council--to share the burden of a rescue. Under the creditors proposal, the member governments would agree to repurchase tin from the creditors at some fixed time in the future. This will help keep the metal off the market, in the meantime, to keep it from depressing prices. The ITC owes about 1,180 million ringgit to the creditors. [Text] [Kuala Lumpur International Service in English 0600 GMT 5 Dec 85 BK]/12766

CSO: 4200/351

PAPUA NEW GUINEA

BRIEFS

EXPORT RISE REPORTED--Papua New Guinea's exports (fob) for the six months to June 30 this year totalled K409 937 000 ($A613 000 000 approx) reports the National Statistical Office. The total for the first half of last year was K389 741 000 ($A583 640 000). Cocoa beans contributed K23 821 000, coffee K49 489 000, copper ore and concentrate K136 747 000; copra K20 240 000; coconut oil K7 194 000; crayfish and prawns K4 188 000; palm oil K37 083 000; rubber K2 212 000; tea K9 136 000; timber, logs K28 712 000; timber, lumber K754 000; tuna K1 077 000; woodchips K2 176 000. [Text] [Sydney THE SOUTH SEA DIGEST in English 15 Nov 85 p 3] /12379

CSO: 4200/364

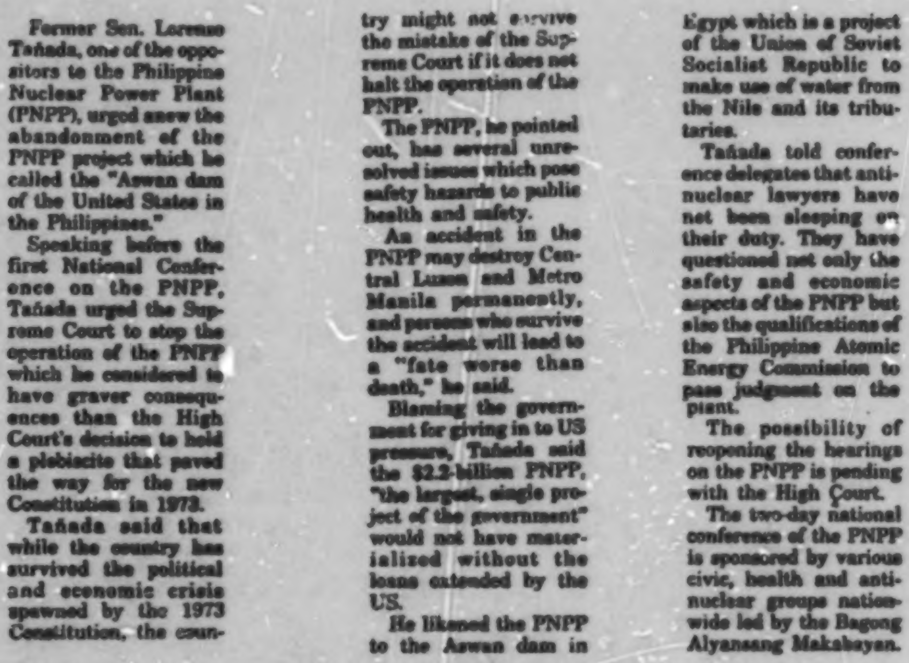
PHILIPPINES

TANADA SAYS U.S. PRESSURED NUCLEAR PLANT UPON MANILA

Manila BULLETIN TODAY in English 9 Nov 85 p 10

[Article by Marcia C. Rodriguez]

[Text]



Former Sen. Lorenzo Tañada, one of the oppositors to the Philippine Nuclear Power Plant (PNPP), urged anew the abandonment of the PNPP project which he called the "Aswan dam of the United States in the Philippines."

Speaking before the first National Conference on the PNPP, Tañada urged the Supreme Court to stop the operation of the PNPP which he considered to have graver consequences than the High Court's decision to hold a plebiscite that paved the way for the new Constitution in 1973.

Tañada said that while the country has survived the political and economic crisis spawned by the 1973 Constitution, the country might not survive the mistake of the Supreme Court if it does not halt the operation of the PNPP.

The PNPP, he pointed out, has several unresolved issues which pose safety hazards to public health and safety.

An accident in the PNPP may destroy Central Luzon and Metro Manila permanently, and persons who survive the accident will lead to a "fate worse than death," he said.

Blaming the government for giving in to US pressure, Tañada said the $2.2-billion PNPP, "the largest, single project of the government" would not have materialized without the loans extended by the US.

He likened the PNPP to the Aswan dam in Egypt which is a project of the Union of Soviet Socialist Republic to make use of water from the Nile and its tributaries.

Tañada told conference delegates that anti-nuclear lawyers have not been sleeping on their duty. They have questioned not only the safety and economic aspects of the PNPP but also the qualifications of the Philippine Atomic Energy Commission to pass judgment on the plant.

The possibility of reopening the hearings on the PNPP is pending with the High Court.

The two-day national conference of the PNPP is sponsored by various civic, health and anti-nuclear groups nationwide led by the Bagong Alyansang Makabayan.

/9317
CSO: 4200/390

COLUMNIST SEES AQUINO-LAUREL CONSPIRACY, BELIES NPA-KGB TIES

Manila BULLETIN TODAY in English 9 Nov 85 pp 6, 16

[Article by Jesus Bigornia]

[Text]

"SOURCES" suggesting "a top level political trade-off" in the formation of a "Cory-Doy" ticket for the announced "snap" election inflict grievous injury on the widow of the assassinated opposition leader Benigno Aquino Jr. and the former senator from Batangas. Both Mrs. Corazon "Cory" Aquino and ex-Senator Salvador Laurel are eminently qualified for either president or vice president of the Republic of the Philippines. Both are motivated by the same objective — the ouster of President Marcos from Malacañang, the seat of all government power. One could give way to the other without need of an under-the-table understanding.

* * *

"A trade-off" smacks of conspiracy. It does not jive with the idea of an open society both are pledged to recreate in this country. Moreover, it implies that Mr. Laurel cannot win a poll contest with President Marcos which Mrs. Aquino can, an unflattering inuendo. In any case, revelation of such a "plot" is sure to work against the interests of both. For many anti-administration voters with reservations about supporting the Laurels of Batangas cannot contemplate with relish a post-Cory administration with Senator Laurel at the helm. Conversely, chauvinist supporters of "Doy" would be understandably reluctant to support a lady regardless of her high qualifications.

* * *

Which is all very sad because either one or the other is claimed to have a better than even chance of winning in a relatively fair, honest and peaceful election. An economic crisis whose magnitude and effects have shaken the credibility of the present regime, the accelerating onslaught of the New People's Army (NPA) rebellion and a divided army, among other factors, could give either Mrs. Aquino or Senator Laurel victory at the coming polls, political pundits claim. If the "Malaya" report turns out to be nothing but a "red herring" laid out by the covert propagandists of the administration, the opposition paper would have contributed to the detracting from the political image of the two opposition candidates.

If a "recycled" employe of Dynetics, Inc., knew that the boss of the financially strapped company and a cohort of lesser officials who came with him from the equally moribund Philguarantee are giving themselves fabulous honoraria, she would have changed her tune. Her mournful appeal for help would have become a hysterical demand for just and equal treatment. For Cesar Macuja, Dynetics officer-in-charge, is batting down a ₱20,000 a month honorarium, while lesser lights like Eduardo Morato, of the Human Settlements Development Corporation, Victor Macalingcag and others from Philguarantee are each getting a ₱5,000 monthly honoraria, from Dynetics.

* * *

Dynetics which has been in trouble since its chairman, Vicente Chuidian, skipped to the United States, is kept afloat with loans from the Land Bank of the Philippines. The Ministry of Human Settlements, through HSRC, is exposed in the company to the tune of ₱30 million. But while paying off extravagant fees for "experts" imported from other agencies, it has not been able to pay the separation pay and other benefits due the more than 1,000 employes who were "retrenched" last Sept. 25.

* * *

Stanislav Levchenko, a KGB defector writing for Counterpoint, proposes: "One of the most practical means of disrupting KGB operations in the West is to require parity in the number of Soviet diplomats in the West with that of Western diplomats in the Soviet Union. Western governments should also drastically limit the size and operations of the huge Soviet missions to the United Nations organizations in both New York and Geneva, and to other international organizations. If such steps led to the reduction of Soviet officials, KGB activities would be seriously disrupted. The KGB would lose many officers who otherwise would be handling active cases. Because Moscow would still need to maintain contact with various offices of the host government, more of the remaining officials would be occupied with legitimate diplomatic activities instead of espionage."

* * *

There has been no indication either in government or in media that Russian espionage agencies, including the KGB, have been active in the Philippines. Either the KGB is not really interested in Philippine developments, which is inconceivable, or the Philippine intelligence community has been sleeping, on its job. Into this vacuum, the United States Senate has loosed the contents of a Pandora's Box of troubles with a claim that pretty soon the Soviets will be arming the communist-led New People's Army (NPA).

/9317
CSO: 4200/390

MUSLIM LEADERSHIP SLIDING BACK; QADHDHAFI TRIPOLI BLUFF

Davao City PEOPLE'S DAILY FORUM in English 22 Nov 85 pp 1, 8

[Article by Hernani Pastolero]

[Text] Political observers in Cotabato City agree with regional autonomous government assemblyman Nur Mabang when the latter published a letter in the local paper that the Muslim leadership is "sliding back to the pre-martial law situation."

Mabang's published letter has been considered as a boldest step taken by a former MNLF commander to clear the mantle of hypocrisy that becloud the stark realities that are happening in the 7-year-old autonomous government established under the Tripoli agreement.

The first to express doubt on the efficacy of the autonomous government to forge lasting peace in Mindanao was the late RAG assemblyman Esteban Doruelo, who said almost five years ago that the fact that the MNLF returnees did not surrender their high-powered guns when they came down they are just waiting for appropriate time to launch a greater offensive to secede Mindanao and we will find ourselves waking up one morning no longer part of the Philippine Republic.

In deploring that the Muslim leadership is sliding back, Mabang asked three questions in his letter:

1. Have the more than a decade of sacrifice not been wasted?

2. Are we, the MNLF rejoinees, really accepted by society? Is the present leadership willing to share a part of the pie?

3. Or do we need to undergo further sacrifices so that more real political gains can be realized?

Mabang's published letter is seen by keen political observers as loaded with veiled threats that if Marcos would not give greater autonomy to Muslims promised in the Tripoli accord, the former MNLF commander will join his colleague, Abul Khyr Alonto in the Opposition.

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From the religious sector in Cotabato, Akmad M. Sagan fully agreed with Mabang and joined him in deploring the "sliding back." He sympathized with the MNLF rejoinee leaders for their frustrations but commended them for continued pursuit of peace and economic prosperity.

Western observers, in a talk with Mr Roger Flaviano, who went to Hongkong early this month, said Marcos was bluffed by Khadaffi into entering in the Tripoli accord. The same observers said that Khadaffi applied the same bluff to Idi Amin of Uganda in order to impress the world that he, Khadaffi, has a ban of international terrorists who can cripple their targeted countries. Khadaffi had promised money to Idi Amin as he did to Marcos but if there was any money given it was only a trickle compared to the amount promised by Khadaffi.

Mabang is the former MNLF commander Miranda No 3 man in Central Mindanao area.

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DAVAO DAILY QUESTIONS SIN'S OPPOSITION LOYALTIES

Davao City PEOPLE'S DAILY FORUM in English 17 Nov 85 pp 1, 8

[Article by Cesar E. Jacinto]

[Tdxt] The Philippine's leading church personality, Cardinal Sin, came to Hongkong on October 26, 27, 1985.

I wonder why? Since the organizers are not giving the reasons, one could just assume that the reason is connected with the fact that there is such a large number of Filipinos in Hongkong.

I don't know what he did in Hongkong, but I'm sure it only added further confusion in the minds of the Filipinos on what Cardinal Sin's position really is vis-a-vis the issues in the Philippines.

His verbal attacks on Marcos and Imelda are always combined with actions that certainly endorses the continuance of the conjugal dictatorship such as attending and embracing Marcos during his birthday celebration.

Cardinal Sin says that he is against the dictatorship of Marcos which is characterized by widespread repression and wanton violation of human rights. But no sooner have his words faded away than he goes running to Marcos, greeting him on his birthday, embracing him and justifying this by declaring that he has to diffuse somehow, the growing tension among the people. In other words, he wants to dissipate the growing anger of the people while embracing the man who is causing all these tensions and repression in the country.

The attacks by Cardinal Sin on Marcos are always directed at the man and nothing is said against the system that created and perpetuates his kind. Cardinal Sin has nothing to say about multinational control of Philippine business and industry. He has nothing to say about the United States violation of Philippine sovereignty and the continuing presence of its military bases in the country.

In fact, by Cardinal Sin's actions he has shown himself to be another ally of the US government. He takes pride in being received by President Reagan while Imelda was being snubbed there at the same. His position seems to be that he would be satisfied if Marcos is replaced and he even welcomes the continuing patronage of the US.

Because of this, it is not really far-fetched that Cardinal Sin is Hongkong as part of a Sin-US strategy of stemming the growth of genuine nationalism among the Filipinos, those in Hongkong included.

As has been made clear many times by US Government policymakers, their true interest in the Philippines is the protection of their interests in the country. The Marcos government in Manila has been totally discredited. And this logically is helping the growth of Philippine nationalism to US hegemony in Asia.

So the US strategy is to replace Marcos with an American ally while at the same time preventing a takeover by nationalists.

By Cardinal Sin's actions and words, he has placed himself on the side of the oppressors of the Filipinos.

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CONFLICTING ACCOUNTS ON DEATH OF KAPITAN INGGO REPORTED

Unconfirmed Report Cited

Davao City PEOPLE'S DAILY FORUM in English 3 Nov 85 pp 1, 8

[Article by Ed Pagkalinawan]

[Text] The leader of the so-called People's Liberation Organization (PLO), Abubakar Bautista Karsolo, known as "Kapitan Inggo," who landed in front pages of the local tabloids following the murder of opposition leader Alex L. Orcullo last year, was reportedly slain by fatigue-clad men October 9 at Waan, Mandug, this city.

The unconfirmed reports reached this paper through some residents of Mandug.

Sources from Mandug (names withheld for security reasons) alleged that five armed men who were wearing fatigue uniforms approached one of the men of Kapitan Inggo and asked permission that they be allowed to enter sitio Waan and talk to the PLO chief. Apparently, Kapitan Inggo gave a nod to the request of the armed men when he appeared before the latter.

While approaching the armed men who were reported clean shaven, a burst of gunfire was heard by workers of the Lapanday Development Company (a banana plantation) and residents of the river bank there. Kapitan Inggo was fatally hit and his men fought back, sources said. There were no other reports given except that the PLO chief was allegedly killed during that encounter.

Kapitan Inggo, allegedly a Muslim rebel who returned to the fold of the law, claimed the murder of Orcullo (editor of the defunct Mindaweek newsmagazine and barangay captain of Mandug) that precipitated evacuations from Mandug and its environs.

The incident at Waan is still unconfirmed after this paper failed to contact the head of the Marine detachment in Mandug and any of the spokesmen of the Regional Unified Command here.

Aide, Not Inggo Reported Killed

Davao City THE MINDANAO DAILY MIRROR in English 12 Nov 85 pp 1, 10

[Text] The notorious PLO leader tagged with the murder of Mandug barangay captain Alex Orcullo two years back is still very much alive, reports to the contrary notwithstanding. This according to reports coming from Davao del Norte.

Abubakar Karsolo, alias Kapitan Inggo, had been reported to have been killed in an encounter as per news report (not in the MIRROR), only recently.

A MIRROR source said that it was actually a right hand man of Karsolo who was killed last September in sitio Waan, Tigatto, Buhangin district while leading some Marines on patrol. The fatality was identified as one Usman Sali, Kapitan Inggo's trusted henchman. He was taken to the Davao Medical Center by the Marines but died along the way from gunshot wounds inflicted by a .30 caliber WW II carbine.

Sali had been with Kapitan Inggo when the latter's band waylaid Orcullo on a lonely stretch of road in Tigatto. Orcullo was at the time driving his car, with his wife and his child as passengers. The Mandug barangay captain was made to alight and then shot in cold blood before his horrified wife and child.

Kapitan Inggo had owned Orcullo's killing in letters he wrote and sent to the media.

The balikbayan Muslim rebel and his band of armed PLO outlaws was at the time roaming the area, ostensibly to fight the New People's Army in alliance with government forces. The alliance had been denied by local military leaders.

At last report from MIRROR sources, Kapitan Inggo is operating in Davao del Norte, but this has yet to be confirmed in the absence of any report of a clash between his band and rebels --or the military.

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T'BOLI TRIBE ACCUSES MAYOR OF SELLING OUT

Davao City PEOPLE'S DAILY FORUM in English 3 Nov 85 pp 1, 7

[Article by Rudy Calansingin]

[Text] A group of T'boli leaders denounced to this writer T'boli Mayor Mai Tuan for the latter's failure to intervene the demolition of the tribesmen houses in Ansa Farm even as they accused the town mayor of selling the interests of the native T'bolis to big capitalists.

A lawyer, who requested not to be named and who acted as interpreter of the tribe leaders, said the natives are also sending petition to President Marcos to look into the titling of some 5,000 hectares to the Ansa Farm without due regard to the natives who have been occupying the area since time immemorial.

As president of the Philippine Association of Cultural Communities, Inc, Mayor Mai Tuan could have asked the Court to defer its demolition order of the natives houses for humanitarian reasons until they could be settled in other places, the tribes' spokesman said.

He revealed that Mayor Mai Tuan was given P1 million by President Marcos to be spent for the livelihood of displaced members of the cultural communities under the sponsorship of the Philippine Association of Cultural Communities, adding that Mayor Mai Tuan could have used part of the fund to relocate the T'boli tribesmen instead of allowing their settlement to be flattend by bulldozers and burned by torches.

The implementation of the law should be humanized when it would adversely affect the interests of the ignorant natives and that is the reason why the Philippine Association of Cultural Communities have been allowed by President Marcos to be the communication link of the President to the natives in the highlands and hinterlands, the spokesman said.

The President of the Philippines is not well-conversant with the attendant events affecting the cultural communities, he said. This account for the fact that self-proclaimed native rajahs have been entertained by President Marcos in Malacanang and given wide publicity support, the T'boli tribe spokesman said.

Pres Marcos have been misled of the true situations of the cultural communities since the time of Manda Elizalde and they have been exploited by the so-called leaders and self-proclaimed rajahs, according to the spokesman, adding that Malacanang has already poured massive funds to the natives through these leaders but the natives still continue to suffer.

Enough is enough, the spokesman said. The natives are being pushed to the limit and have nowhere to go. Some of their young women have been taken from them and the 23 girls who disappeared during the height of public outcry over the assassination of Aquino are reportedly in Puerto Rico, serving as retinue of slave-girls in a palatial manor, the spokesman said.

The lawyer said he will personally write President Marcos to send investigators to look into how the vast tract of land was titled or awarded to a naturalized Chinese businessman.

There are reports, he said, of smuggling of Chinese through the back door but who are first kept in cattle ranches to teach them the local dialects before they are given fake naturalization papers and allowed to integrate in Filipino communities in Mindanao.

President Marcos should be informed of these, the lawyer said.

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ACTING FOREIGN MINISTER ON U.S. BASES, RELATIONS

Manila BULLETIN TODAY (PANORAMA supplement) in English 17 Nov 85 pp 4, 20, 21

[Excerpts of interview with Pacifico Castro, acting minister of foreign affairs, by Sheila S. Coronel: "'Geography Has Determined Our Destiny'"]

[Text] Pacifico Castro, acting minister of foreign affairs, like to explain the intricate web of controversies surrounding the issue of US bases in the Philippines by taking a global viewpoint. Almost invariably, he disposes of questions by stating that the way the American military facilities are in the Philippines are the way they are in any other part of the world. The corollary of this view, unstated of course, is that neither we nor the Americans have cause to complain for the situation holds true everywhere.

Castro also likes to look at the country's situation from a geopolitical viewpoint: he asserts that the Philippines' geographical location holds it eternally hostage to the machinations of the world's powers. There is some determinism in this view that geography defines destiny.

An interview with Castro took place at a time when reports from the American press maintained that the Soviets were trying to establish links with Filipino dissidents and that they had expanded their embassy staff in Manila. Castro denied such allegations and discounted the imminent possibility of Soviet interference in Philippine affairs. The minister also added his voice to those who were hitting at the American press and "some forces" that he says cast doubts on the ability of the government to deal with the insurgency. It is a common tune at a time when there is a perceived mounting heaviness in the pressure being exerted by the United States on the Marcos government. Always, at the focal point of discussions involving RP-US relations are the bases.

Panorama: There seems to be increasing opposition to the continued presence of the US bases in the Philippines, both from the militant groups and traditional political groupings like the Liberal Party. Even moderate politicians like Eva Kalaw and Salvador Laurel have been making statements which in effect say that in principle they are against the retention of the bases. In view of all these, do you think there is justification for the continued presence of the US bases in the Philippines?

Castro: There have always been some sectors of the nation that are against the presence of United States military facilities in the Philippines. But first of all, I'd like to state that these are no longer United States bases as defined in the 1947 agreement. The legal character of these bases was radically changed in 1979 when we concluded this new agreement that recognizes Philippine ownership of and sovereignty over these bases. So I will refer to this United States military presence as Philippine military facilities because this is actually the legal character of these facilities. This is more or less the same status that American forces enjoy in the Federal Republic of Germany, in Japan, Korea, Greece, Turkey, Spain and other countries like the United Kingdom, the Netherlands, Belgium and Portugal.

Panorama: How real is Philippine control over the bases? It is commonly observed that the role of the Filipino commander is merely symbolic, the Filipino flag that flies over the bases is said to be also just a symbol of sovereignty which does not exist in actuality. People cite for example the fact that Philippine courts do not have control over US servicemen who are alleged to have committed crimes in the Philippines or the fact that even top-ranking military officials are not notified of the supposed presence of nuclear weapons in these bases.

Castro: I think these observations about the status of the bases are a bit outdated. As I said, since 1979, the legal character of these bases has been transformed. The nature of the control of the Philippines over these bases is not different from the control of the Japanese over the bigger American facilities in Japan. The control of the Philippines over the bases is not less than the control of the Germans over the bigger American facilities in Germany.

The press has been saying that the American facilities in Clark Air Force Base and the naval facilities in Subic are the biggest outside the United States. I tend to question this statement because just on the sheer numbers of American military personnel deployed, there are bigger facilities than Clark or Subic. For example, there are more than 200,000 American troops in the Federal Republic of Germany. The American facilities in Germany are equipped with missiles and rockets, medium-range, short-range missiles. There are only a few thousand servicemen in Clark and a few thousand naval personnel in Subic at any given time. I was told that there are not more than 20,000 American military personnel in the Philippines. Compare this to the more than 200,000 in Germany or the more than 45,000 in Korea or the more than 40,000 men in Japan.

Panorama: Are there nuclear weapons stationed in the bases in the Philippines?

Castro: The American practice, the universal practice, be it in Japan, in Germany, Spain, Turkey or Greece, is neither to confirm nor deny the presence of nuclear weapons in the facilities, but the US government has an agreement with the Philippine government of prior consultation before nuclear weapons can be stationed here. Secondly, in the UN treaty on non-proliferation of nuclear weapons approved on July 1, 1968, there is a specific prohibition in article one that prohibits the deployment of nuclear weapons in non-nuclear countries. Article two prohibits non-nuclear countries like the Philippines to allow the deployment of nuclear weapons by the nuclear powers.

We would like to believe that, since we have been given assurances that the United States complies with its treaty obligations in good faith, the United States is actually complying with its obligations under the UN non-proliferation treaty as well as the agreement with the Philippines of prior consultations before nuclear weapons can be deployed in the facilities.

Panorama: The agreement on prior consultation does not include information about medium-range and short-range nuclear weapons, it only includes inter-continental ballistic missiles.

Castro: Still, as I have said, under this international convention on nuclear weapons, there is an interdiction, a formal prohibition against a nuclear power from deploying nuclear weapons and we would like to believe that the US government is complying with its treaty obligations in good faith, although that sounds a bit naive.

Panorama: Yes it does. Do you think that there is more justification for the US bases now than there was, say, ten or 20 years ago?

Castro: The geographical location of the Philippines since time immemorial has determined the fate and destiny of our country. We happen to be straddling some of the most important international waterways, the international sealanes that ensure both the free flow of both normal commercial shipping as well as military shipping for the purposes of maintaining the balance of power in the world. Since the days when the Portuguese and the Spaniards were competing for domination of the world, the importance of the Philippines' geographical location has always been recognized. The interest of foreign powers in controlling our country has always been there, is present today and will be there in the future. This is more so in the present context of the geopolitical realities of the world where the Pacific, just like before the Second World War, is an important area for competition among the naval powers of the world.

Panoram: So you agree with the view that the bases are here mainly to preserve US dominance in the Pacific?

Castro: Partly--and not only political, but mainly economic, dominance in the region, specially because of the emergence of Japan as the most industrialized state in the world today.

Panorama: And corollary to that view is that American dominance in the Pacific is maintained with little benefit and at great political and social cost to the Philippines.

Castro: As I said, that is the destiny of our country, unfortunately, because of our strategic geographic location.

Panorama: It is commonly observed that President Marcos is using the bases as a leverage, as a bargaining point in his negotiations with the US government which has of late been pressing for more political and military reforms in the Philippines. Do you agree with this view?

Castro: Again, we should look at things objectively and in the context of the American position in world affairs. The military facilities in Spain play a major role in the negotiations between Spain and the United States. The American facilities in Germany play the same role, so do the American facilities in Greece, Turkey, Japan and Korea. Invariably, the American facilities play a capital role in the diplomatic, economic and political negotiations of these countries with the United States...

If you look at the history of our country, the issue of the bases has been critical in the relationship of the United States with the administrations of Roxas, Quirino, Magsaysay and Garcia.

Panorama: Do you agree with the view that US pressure for more reforms in the Philippine government is brought about mainly by a concern for the bases? This line of reasoning goes that unless there is reform, the present government is in danger of being overrun by a growing communist insurgency which, in turn, would pose great threat to the bases.

Castro: Well that is one point of view. The other point of view is that under the Mutual Defense Treaty between the Philippines and the United States, there is an obligation on the part of the military allies to consult with each other. That is why under the treaty there are several tiers of consultative mechanisms and institutions. At the lowest level, the Mutual Defense Board meets periodically and then you have the Council of Ministers of the Mutual Defense Treaty that meets annually and, of course, at the higher level, consultations between heads of state.

As far as I am personally concerned, there is an obligation on the part of the military allies, the US and the Philippines, to consult with each other in order to ensure the fulfillment of the objectives of this military alliance: the maintenance of democracy, freedom, free enterprise as well as the security of the Western Pacific area, Southeast Asia and the world today.

Panorama: Last August the President was saying that he would call in US troops if necessary to contain the insurgency.

Castro: What I remember the President having said since the seventies is that only as a last recourse would the Philippines invoke the Mutual Defense Treaty to help in the insurgency campaign. The President has continuously maintained that the Philippine armed forces is capable of suppressing the insurgency as it has done in the fifties, the sixties and the seventies, and given a chance, we will be able to do it again in the eighties.

Panorama: A team sent by the US Congress to the Philippines last September expressed great concern about the vulnerability of the US bases here to rebel attack and recommended that the Congress study whether the security of these bases can be entrusted, as they are now, to Filipino troops.

Castro: Under the 1979 agreement, the security of the bases, since these are Philippine bases, should be the responsibility of the Armed Forces of the Philippines. As to the vulnerability of American military facilities, I've always maintained that if we look at these things objectively, there is no American military facility outside the US that is not vulnerable to terroristic attack. The US Air Force base in Frankfurt, Germany, for example, has been the subject of so many terroristic attacks that have caused the death of so many American servicemen although these are bases guarded strictly by American and West German soldiers--fully armed, fully trained troops. The same is true for the US facilities in Greece, Spain and Turkey.

And let us not forget how the highly secured headquarters of the US Marines, the elite fighting forces of the US, in Beirut, Lebanon, was attacked by terrorists, leaving 300 Marines dead.

There is no US military facility outside of the United States that is immune to attack. What can be said is that not a single American serviceman has been killed or attacked by terrorists either in Clark or Subic or anywhere in the Philippines.

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LEFTIST WRITER CITES U.S. BASES VULNERABILITY

Manila BULLETIN TODAY (PANORAMA supplement) in English 17 Nov 85 pp 5, 6, 8, 10

[Article by Roland G. Simbulan, author and Professor at the University of the Philippines: "The US Bases: America's Achilles Heel in Asia"]

[Excerpts] Writing recently for the US Information Agency publication Problems of Communism (July-August 1985), a certain Mr Leif Rosenberger of the Pentagon's Defense Intelligence Agency makes the incredible claim that the local dissident movement, i.e., CPP/NPA and the Soviet Union have "links." And Mr Rosenberger's proof?

First, he says, "The engagement of the Soviet bloc with the CPP was revealed in 1983 when Carlos (sic) Gaspar, an East German, was discovered to be the CPP's link in a complex international funding support system" (italics mine--Mr Gaspar is very much a full-blooded Filipino who has been released after the subversion charges against him were dismissed).

Then, Mr Rosenberger continues, "from Nov 30 to Dec 4, 1984, the Soviet-controlled World Peace Council and its Philippine affiliate, the Philippine Peace and Solidarity Council, co-sponsored the first International Conference on Peace and Security in East Asia and the Pacific. The Conference was held at the University of the Philippines, a central location for National Democratic Front activity." (italics mine--UP President Angara should vehemently protest this!)

Highly imaginative rationale such as these are presented by American "experts" such as Rosenberger for the maintenance of US military presence and continued US intervention in the Philippines. It is based on the same reasoning used by President Marcos when he blamed the New People's Army's insurrection on "the integration of aid and foreign-trained troops" so he can count on increasing US military support. Such wishful scenarios which have failed so miserably in Central America, the variant of which is the Soviets-are-in-Cam-Ranh-Bay-argument, represents one of the straining efforts of the US to find a plausible reason for America's military bases in the Philippines to be deemed perpetually necessary. It, too, represents an erosion of the ideological and cultural support that has shaped all Cold War policies here and abroad. And all this is happening a few years before countdown year--1991--when the US-RP Military Bases Agreement is due to expire or be renegotiated, to be either scrapped or extended.

The concern with maintaining American military facilities in the Philippines shapes Washington's attitudes toward this country and US strategy in Asia. The fate of these facilities will have a cumulative impact on America's grand strategy in Asia. And the business climate for America's $2-billion direct economic investments representing 52.49 percent of total foreign investments in the Philippines could become cloudy.

Indeed, the use of American bases in the Philippines is closely tied to the US military plans in the Pacific and Indian Oceasn.

All in all, the US bases and facilities, with their strategic locations, practically make the whole Philippine archipelago one big US military base.

These bases are garrisoned by at least 15,400 US military and US Defense Department personnel and supplemented by 9,000 Seventh Fleet sailors in port at any given time. It is a complex that can be characterized as a "state within a state."

This condition, however, did not come about as smoothly as present generations of Filipino people had rejected the creation of US bases, accepting only naval reservations and refueling stations to be established within two years after independence. Eventually, after the military and economic devastation of World War II, the Philippines was forced to accept a US "package deal" in exchange for "independence": parity rights, free trade and military bases.

With the growing untenability of US military presence amid increasing restiveness among Filipino nationalists, representatives of both countries sought a negotiation in 1979. In the 1979 negotiations, the US formally gave the Philippines "sovereignty" over the bases and provided for a review every five years. "Sovereignty," however, came to have a curious meaning in the renegotiated bases pact. A provision guaranteeing the "unhampered use" by US military forces of the facilities was guaranteed. Further, the US was guaranteed unimpeded access not only to its facilities but also to the land it was supposed to have already returned to the Philippines--all for a $500-million compensation package in aid, but still without altering the 1947 base agreement which specifically provides that the bases shall be "rent free."

In 1983, another compensation package was negotiated providing for $300 million in military sales credits, $125 million in direct grant to the Philippine armed forces and $475 million in economic grants. What is significant in this $900-million compensation package negotiated in 1983 and effective till 1989 is the terms of repayment for the military sales credits. If, for instance, for this year the Philippine government bought weapons from the US under this provision, it would not need to begin repayment until 1995. However, since the bases agreement granting US of the bases expires in 1991, the 1983 accord has, in effect, already extended US right to use Philippine sovereign territory beyond 1991.

A clause in the 1983 accord reaffirms a 1959 agreement whereby the US must consult the Philippine government if the bases were used for combat operations. The accord also provides for consultation of Intercontinental Ballistic Missiles (ICBMs) are installed at the bases. In reality, the US never installs such weapons overseas. But there is no mention of medium- and short-range tactical nuclear weapons which the US does install in countries outside its boundaries. Their omission, in effect, allowed the deployment and storage of such nuclear weapons in our territory, presumably without the knowledge, much less the consent, of the Philippine government.

The Philippine commander of the bases who now exercises titular sovereignty over them, is supposed to be granted access to all facilities supervised by Americans. The exception is access to areas with classified weapons and information in which case prior notice is necessary. All of which amounts to the reality that the Filipino commander can only see what the Americans want him to see.

So, whether we like it or not, the Americans will try to wangle for the continuance of their bases here after 1991, and the time they are beginning with is now but that present is also their concern.

In the US government's perception, the political cost and risk of maintaining the bases continue to rise sharply. As the US now has declared that it will maintain them even at great political cost, they have further become a hostage of the present Marcos government and its sagging political fortunes, specially after the Aquino assassination. According to former senator Lorenzo M. Tanada, chairman emeritus of the Nuclear-Free Philippines coalition "The Americans would not support Marcos if not for these bases." As the present Philippine government faces worsening and recurrent political and economic crises, it is feared that Mr Marcos is exploiting the vested interests within the US government in the bases in order to get the US more heavily committed to support him against his opponents who may well call for an end to the bases arrangements with the US--as some of his most distinguished foes are starting to do now. Looking some years into the future, the US is finding itself linked more and more clearly with a regime which is not only unpopular but in danger of collapsing in chaos and violence. And since "there are no permanent friends, only permanent interests," the end result could be jeopardizing long-term US interests in "friendly relations and close cooperation" with a post-Marcos Philippines which might dissociate itself from many aspects of the Marcos administration, including the posture to allow nuclear-war bases in the country.

But the idea that the US bases are necessary to maintain "peace and stability" in Southeast Asia suggests that the US would and should intervene militarily in the kind of conflict or political upheaval which has become more real than ever in the Philippines. It would imply a readiness, for example, to use American forces in situations involving successful insurgencies against a government which the US supports. Much more if the local insurgent movement is perceived to achieve objectives that threaten American interests and challenge American power. Indeed, US forces operating out of the bases have traditionally performed "civic action" designed to win hearts and minds in the rural areas. The bases have provided instances of concrete military support for anti-guerrilla operations conducted by the Armed Forces of the Philippines, specially now that the US Special Operations Forces (SOF) have been deployed in them.

Equally serious for US policymakers is the threat posed by the radical, agrarian-based revolutionary movement which has considerably become a substantial politico-military force in 59 provinces. The US bases are located in the traditional bastions of insurgency in Luzon, particularly during the Huk rebellion following World War II. The prospect of the guerrilla movement being able to menace the American bases should be one of the greatest nightmares of Pentagon officials. And such an eventuality could draw the US into a deeper and more dangerous involvement in internal Philippine political conflicts.

A recent US Senate report submitted in early August 1985 to American Defense Secretary Caspar W. Weinberger concludes that Clark and Subic are extremely vulnerable "should the NPA shift tactics and begin to target US bases." Although security improvements were already under way, such as the $4.7 million planned fortifications at Clark, the efforts to increase base security are reported to be severely hampered by the tight budgets and poor organization of the Philippine military which since 1979 has had much of the responsibility for base security. The report states that the US Navy and Air Force are even planning to invest $1.3 billion in new military construction infrasturcture in the Philippine bases between now and 1992 (thus already assuming that the bases agreement will be extended beyond 1991). The same report prepared by staff members of the US Senate subcommittee responsible for military construction said that only last July 1985, US navy officers detected an NPA unit camping inside the jungle covered outer perimeter of Subic Naval Base and only at a distance of a mile and a half of a US Navy ammunition magazine! The US Senate report gave the stern warning: "We're operating in a country where there is now an indigenous, increasingly effective guerrilla movement. The potential for US troops and NPA guerrillas to become engaged in a violent confrontation is all too apparent...as their growth continues and they see victory in their grasp."

Many of the recent national debates have focused on the bases. For decades, the Cold Warriors and Pentagon planners have discounted the Filipino opposition against the US bases as inconsequential, if not as mere irritants, even though these facilities have always been a visible target of the Philippine nationalist movement. But the voices in opposition are no longer inconsequential.

In the Philippines, as in Europe and the US, there is a burgeoning anti-nuclear sentiment. Because of the known storage and deployment of tactical nuclear weapons in US facilities here, the issue has been creatively used by nationalist forces to rally opposition to the US bases and to assert Philippine sovereignty.

Philippine public opinion is shifting more and more to favor the abrogation of the accord which now allows the US to have "unhampered" access to large chunks of Philippine territory. Even Catholic bishops, Protestant pastors, medical doctors, nuclear physicists, lawyers and moderate political opposition groups have joined the campaigns of the Nuclear-Free Philippines Coalition (NFPC) and the Anti-Bases Coalition (ABC), regardless of ideological persuasion. The mobilization of national opinion in opposition to the bases has touched not only groups ranging from the social democratic BANDILA, or the grouping of militant, grass-roots organizations under the nationwide umbrella of Bagong Alyansang Makabayan (BAYAN), the PDP-Laban, or the Moro National Liberation Front (MNLF) which, through its spokesperson, Abdurasad Asani, attacked the US bases in 1980 as contributing to the "genocidal campaign against the Moro people." Even traditional politicians have begun to share the views of the more radical groups in so far as the US bases are concerned.

In its guidelines for government, "The LP Vision and Program of Government," the Liberal Party states: "The Philippines should oppose the continued existence of foreign military bases or facilities in the Philippines." And it took a lot of people by surprise when Batasan MP Eva Estrada Kalaw herself, in a speech delivered on June 18, 1985, before the Rotary Club of Mabalacat, Pampanga, declared, "Let us ask ourselves whether the threat of annihilation in the event of an active nuclear war between the US and USSR because of the strategic magnet effect of the two US bases here is worth the measly sum which we are paid and the onerous relations with the US which we are still allowing. Is it worth the risk? Where is the mutuality of interests?"

Count-down time is nearing. Surely, the American people who have not forgotten Vietnam would like to march out of this provocative trap. But it can't just be done, at least as far as US policymakers are concerned. There are strategic interests to secure. There are investments and corporations to protect. But at the same time, as Zbigniew Brzezinski, former US president Jimmy Carter's national security adviser admitted, "The United States can't build dams against the forces of history."

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DAVAO MILITARY COMMANDER ON NPA POWER STRUGGLE

Davao City PEOPLE'S DAILY FORUM in English 26 Nov 85 pp 1, 24

[Article: "Rivalry Sparks Killing of 5 Rebels"]

[Text] A rebel commander and his wounded follower yielded the other day to Brig Gen Jaime C. Echeverria, commander of the Regional Unified Command, after killing 5 rebels in a power struggle rocking the Far Southern Regional Party Committee (FSRPC) of the New People's Army in South Cotabato.

Echeverria identified the rebel chief as Nestor Mecoy, alias Commander Ever, team leader of Front 7-1 based in Malapatan, South Cotabato. He surrendered with Gani Upong alias Miller and 487 members of Kilusang Masa, the rebel mass-base.

Front 7-1 is being torn by a life-and-death rivalry between the NPA "old guard" and upstarts attempting to wrest control of southern Mindanao's newest communist front, initial revelations by Mecoy revealed.

Intrigue and promises of higher positions are the main weapons of the upstarts' play for power, Mecoy added.

One rival group led by Tomas Pagalinan alias Tinoy were planning a "rub-out" on Mecoy when the latter got wind of the plan.

"We were only forced to make our move before they could," he said. His companion Gani sustained a thigh wound in the exchange of shots.

Killed with Pagalinan were Lito alias Boyet, and three others known only as Waldo, Salvador and Conrado.

Bringing the firearms of the slain rebels, Mecoy and Upong made their way to barangay Kenam, a heartland settlement separated from the Malapatan poblacion by 36 kilometers of very rough roads.

The rebel duo made contact with a Kenam purok leader, who opened negotiations with representatives of SOWESFOR headquarters and the 31st infrantry battalion.

With Echeverria during the mass surrender rites were South Cotabato Gov Sergio Morales, Alabel Mayor Mucio Alaba and top officials of the Southwestern Forces command.

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CSO: 4200/391

NPA ARMS SMUGGLING, LOCAL SUPPORT DETAILED

Davao City PEOPLE'S DAILY FORUM in English 17 Nov 85 pp 1, 8

[Article by Rudy Calansingin]

[Text] Small fishears fashioned out of jeepney-typed Ford Fiera vehicles have been used in gunrunning to supply firearms to New People's Army (NPA) rebels operating in the barangays lying in the boundaries of the municipalities of Monkayo and Compostela in Davao del Norte.

Commander Dodong Elmo, head of the "Pulahan" group in Monkayo said that firearms are being inserted inside the fish boxes by NPA couriers and are being brought to the NPA in the remote barangays during nighttime by fishears whose drivers pretend to peddle fish even late at night.

Elmo said that barangays are already beyond the coverage of military operations where the NPAs have already organized the "passabili movements" using barangay folks to report to the rebels the military activities in the area.

Elmo identified these areas as Sitios Mapang and Catian between Compostela and Monkayo towns. He said these sitios are "untouchables" by the military because of its far distance from the poblacion centers of the two towns.

Another critical area which Elmo identified is Barangay Naboc in Monkayo.

Almost everybody in the area is an NPA spy, according to Elmo. He said you cannot even trust a ten-year-old boy because he will squeal you to the NPA if you are pro-government. He said the house of the barangay secretary in Naboc has become the communication center of rebels with barangay officials where the barangay typewriter and medicines of the Botica sa Barangay were carted away by the NPAs. Elmo said this incident had been confirmed by the 459th PC company stationed in Monkayo.

The two informers of the NPA in the area who are also members of the semilegal team (SLT) of the NPA are Juanito Yactu and Berting Canillo. The latter is a cousin of Commander "Jojo," an elusive informer who always managed to escape military dragnet operations conducted in the area.

Another criminal element who serve as eyes and ears of the rebels is Commander Miedo from Bansalan, Davao del Sur. Miedo, according to Elmo of the "Pulahan" group in Monkayo, was a member of the holdup gang in Bansalan in the 1960s but who is now a marijuana planter in Monkayo who operates a marijuana farm in the area with his brother-in-law Botbe.

Elmo said that the gunrunning activities of the NPA in New Bataan and Compostela Valley are being reported to him by Kapitan Taptap who have joined forces with the Pulahan to combat the NPAs in the area. Kapitan Tap-tap, known to his followers as "Tap-tap" waged several successful attacks against the NPAs in Compostela Valley and has joined the "Pulahan" in Monkayo against the NPAs and their sympathizers. Tap-tap is a former right-hand man of "Tootpick" when the latter was still operating in Opi, Cotabato, Elmo said.

Elmo also bared that Monkayo has incurred deficits running to millions of pesos annually. The two treasurers assigned in the municipality complained that high-ranking town officials pressured them to release amounts for unexplained projects.

Elmo once again accused some town officials for sympathizing with the NPAs. When Gen Ramos came to Monkayo and asked the people if they wanted the "Pulahan" arrested, the officials and the people applauded but when the AFP chief of staff asked if they wanted the NPAs to be arrested, all of the officials and town people kept silent, Elmo said.

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CSO: 4200/391

NPA ARMS CACHE FOUND IN DAVAO CEMETERY

Davao City PEOPLE'S DAILY FORUM in English 5 Nov 85 pp 1, 8

[Text] Davao Metrodiscom lawmen Friday recovered several handguns, grenades and ammunition hidden by a CPP-NPA-NDF outlaw band inside a vacant tomb at the Catholic cemetery in Madapo Hills, Davao City.

The recovery followed the arrest of four members of the communist outlaw band in a saturation drive on Madapo Hills by the same law enforcement team Thursday morning. Nabbed in the raid were Aurelia Adlawan alias Bebot/Chelou, 23, single, jobless, of Ilang, Tibungco this city; Josephine Quimpan, a third year high school student from Dumoy, Toril, in D.C. Peter Pacana, 18, single, a high school graduate and security guard living near the San Pedro Memorial Park; and Mamerto Ita-as alias Jinggoy, 15, single, of Madapo Hills.

Davao Metrodiscom's MISU chief Maj Cesar D Elenzano, who led the raiders with deputy 2Lt Jose Gentiles and Police Lt Juanito Fernandez of the Metrodiscom Headquarters Force (MHG), said the arms cache consisted of a cal .38 revolver with defaced serial number, a homemade cal .138 revolver, a cal .22 homemade Magnum revolver, sporting serial number 35787, two homemade shotgun pistols with defaced serial numbers, two live shotgun ammunition, 40 rounds of cal .30 M1 ammunition, 20 rounds of cal 5.56 ammunition, 31 rounds of cal .30 Garand bullets, one round of cal .30 machinegun bullets, one live cal .22 revolver ammunition and three sidearm holsters.

Maj Elenzano said two cal .28 Smith and Wesson pistols, nine rounds of cal .38 ammunition and a plastic bag full of subversive documents were seized from Adlawan and Quimpan at the time of their arrest. The two women had led Elenzano's men to the arms cache, he added.

Elenzano further disclosed that the communist outlaw band had intended to use the firearms and ammunition to terrorize crowds flocking into the cemetery to celebrate All Souls' Day, Saturday, November 2. "We averted possible danger to the lives of the celebrants just in the nick of tiem," Elenzano said.

Among the subversive documents seized from Adlawan and the three others were a mimeographed manual specifying membership fees and monthly dues exacted by the communist party from its members.

The four communist outlaws, among the latest to fall in Davao Metrodiscom's intensified campaign to cleanse the city of CPP-NPA-NDF banditry, are now detained at the Camp Leonor detention center, Elenzano said.--(GAE)

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CSO: 4200/391

MILITARY COMMANDER REPORTS SHIFT IN DAVAO NPA

Davao City PEOPLE'S DAILY FORUM in English 20 Nov 85 pp 1, 8

[Article by Rudy Calansingin]

[Text] A reformist faction which split from the New People's Army (NPA) formed a new group called Bagong Hukbo Ng Bayan, RUC XI, commanding general Jaime C. Echeverria bared to the press recently. Gen Echeverria said the new group separated from the old NPA group after the latter has already lost its respect and credibility among the barangay mass base.

The RUC-XI commanding general said the people have already resisted the NPA because of abuses committed by its members and also because of high taxation the NPA imposed on the poor barangay people.

The new development in the dissident movement explains why there is a lull in the rebels activities.

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CSO: 4200/391

SINGAPORE REPORTS ON STOCK EXCHANGE, BANK ACCORD

BK031231 Singapore Domestic Service in English 1100 GMT 3 Dec 85

[Text] The stock exchange of Singapore and all its members and four major local banks have come to an agreement to strengthen confidence in the stockbroking industry and the stock market. This will allow normal trading on an immediate (?delivery basis) to resume on the exchange on Thursday [5 December]. Under the agreement the Development Bank of Singapore, Overseas Union Bank, Overseas Chinese Banking Corporation, and United Overseas Bank will lend $180 million to the stock exchange of Singapore.

Members of the exchange have agreed to form a supervisory committee to support the committee of the exchange in strengthening the management of the exchange. All members of the exchange agree that each member firm will enlarge its capital base to a level commensurate with the volume of its business. To help strengthen the capital base of the firm they have also agreed to amend the rules to allow for the (?authorization) of member firms.

A joint statement by the Monetary Authority of Singapore [MAS], the four local banks and the Stock Exchange of Singapore said the remaining technical details of the agreement will be settled by tomorrow. The statement said that the exchange and the banks believe the agreement will help strengthen the stockbroking industry and should restore confidence among the investing public in the stock market. It says the MAS has been a party to the intensive series of discussions between the banks and the exchange and it supports the agreement. The MAS has informed the committee of the exchange and the banks that it intends to revise the (?country's) Industry Act to provide further underpinning to the stockbroking industry.

Trading on the Singapore Stock Exchange and its Kuala Lumpur counterpart were suspended on Monday following the failure of Pan Electric industry which was put into receivership after accumulating debts in excess of $300 million.

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CSO: 4200/352

BRIEFS

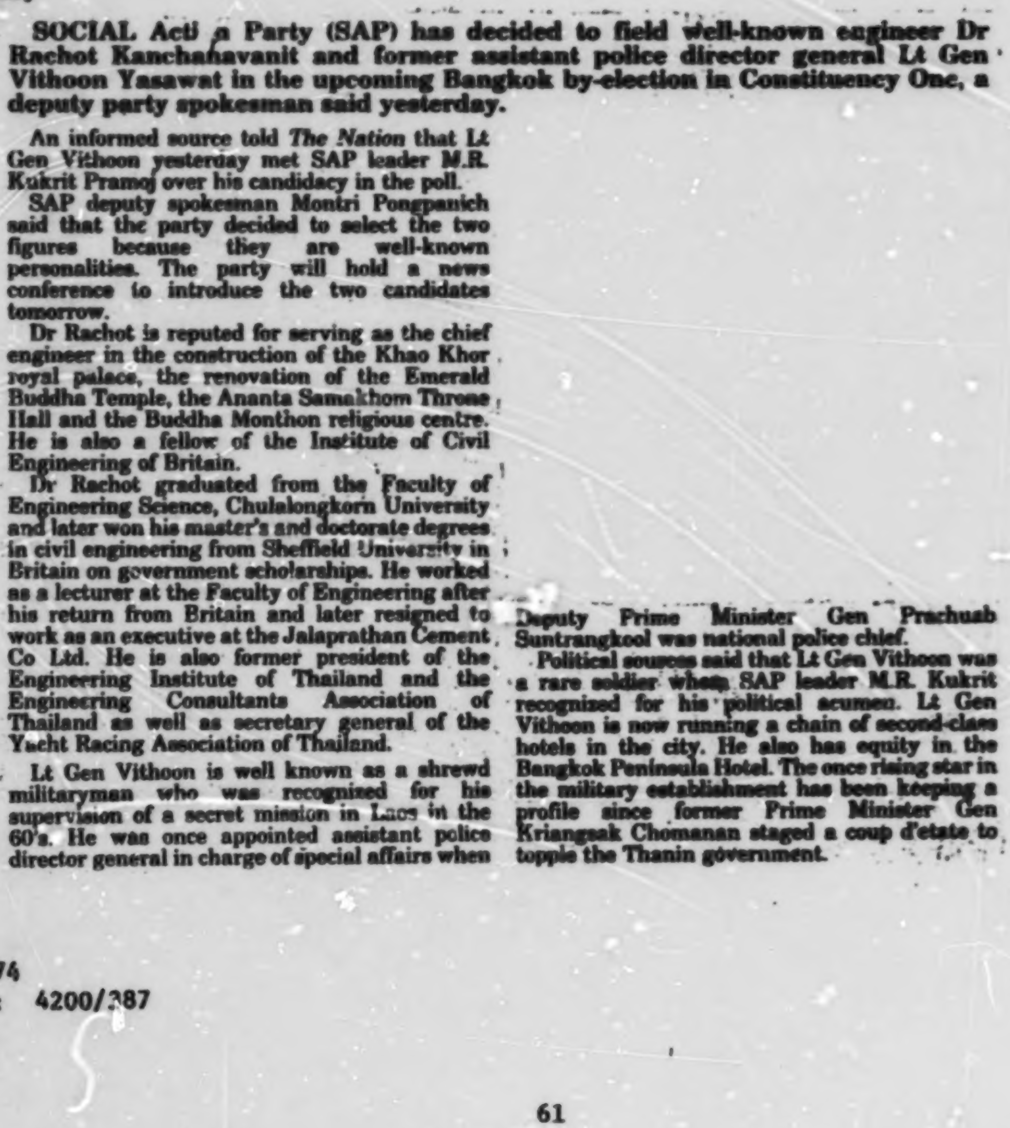
EEC AID--The EEC will finance the multi-million dollar deepwater port development at Noro in Solomon Islands' Western Province. It will be the largest port in the Solomons and development will include construction of a $A12 million fish canning factory in which the central government and the provincial government will be partners. The EEC's resident adviser in the Solomons, Mr Tom Scott, said the EEC expected to finance several projects over the next five years. [Text] [Sydney THE SOUTH SEA DIGEST in English 15 Nov 85 p 2] /12379

CSO: 4200/363

SOCIAL ACTION PARTY CANDIDATES FOR ELECTION

Bangkok THE NATION in English 28 Nov 85 p 2

[Text]



SOCIAL Action Party (SAP) has decided to field well-known engineer Dr Rachot Kanchanavanit and former assistant police director general Lt Gen Vithoon Yasawat in the upcoming Bangkok by-election in Constituency One, a deputy party spokesman said yesterday.

An informed source told *The Nation* that Lt Gen Vithoon yesterday met SAP leader M.R. Kukrit Pramoj over his candidacy in the poll.

SAP deputy spokesman Montri Pongpanich said that the party decided to select the two figures because they are well-known personalities. The party will hold a news conference to introduce the two candidates tomorrow.

Dr Rachot is reputed for serving as the chief engineer in the construction of the Khao Khor royal palace, the renovation of the Emerald Buddha Temple, the Ananta Samakhom Throne Hall and the Buddha Monthon religious centre. He is also a fellow of the Institute of Civil Engineering of Britain.

Dr Rachot graduated from the Faculty of Engineering Science, Chulalongkorn University and later won his master's and doctorate degrees in civil engineering from Sheffield University in Britain on government scholarships. He worked as a lecturer at the Faculty of Engineering after his return from Britain and later resigned to work as an executive at the Jalaprathan Cement Co Ltd. He is also former president of the Engineering Institute of Thailand and the Engineering Consultants Association of Thailand as well as secretary general of the Yacht Racing Association of Thailand.

Lt Gen Vithoon is well known as a shrewd militaryman who was recognized for his supervision of a secret mission in Laos in the 60's. He was once appointed assistant police director general in charge of special affairs when Deputy Prime Minister Gen Prachuab Suntrangkool was national police chief.

Political sources said that Lt Gen Vithoon was a rare soldier whom SAP leader M.R. Kukrit recognized for his political acumen. Lt Gen Vithoon is now running a chain of second-class hotels in the city. He also has equity in the Bangkok Peninsula Hotel. The once rising star in the military establishment has been keeping a profile since former Prime Minister Gen Kriangsak Chomanan staged a coup d'etate to topple the Thanin government.

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CSO: 4200/387

MONKS PROTEST DENIAL OF PROMOTION FOR PHRA PHIMONTHAM

Bangkok THE NATION in English 28 Nov 85 p 2

[Text]

TEN SENIOR Buddhist monks from northeastern provinces demonstrated yesterday at the Government House to call for the promotion of Wat Mahathat's abbot, Phra Pimoltham, to become a patriarch and threatened to set up a new sect if their demand is not met.

The Buddhist monks, led by Ubon Ratchathani chief abbot Phra Ratrattanobon, submitted a letter to Cabinet secretary Anant Anantakul asking the Education Ministry to nominate Phra Pimoltham, a well-known monk tried on communist charge in 1962, to a title of "Somdej Phra Racha Khana."

The Education Ministry earlier proposed four other senior monks, without Phra Pimoltham, for the two vacant "Somdej Phra Racha Khana" posts. The proposal was severely criticized as against the religious regulations.

Phra Ratrattanobon told reporters he decided to rally at the Government House after the Education Ministry failed to give him a clear explanation over the matter. He added that Education Minister Chuan Leekpai and his deputy Samphan Thongsamak, both Democrat MPs, must take full responsibility for the consequences because the matter has upset monks at all levels, Thai Buddhists as well as Muslims.

The protesting monks also distributed circulars, part of which stated that: "We, the northeasterners would from now on boycott the Democrats for their failure to perform their duty as the public's representatives."

The letter which was handed to Anant said that from December 5 the northeastern monks may have to set up a new religious sect to protest against some Cabinet members concerning the religious affairs.

Meanwhile, Democrat leader and Deputy Prime Minister Bhichai Rattakul told reporters he did not know anything about the matter. "But any conflicts should be settled in the court of justice. It's not right to boycott the Democrat Party, for this," he said.

Phra Pimoltham had been abbot of Wat Mahathat since 1948 but was stripped of the post and title in 1960 during the Sarit government and was arrested and brought to trial in 1962 on communist charge.

However, he was acquitted and exonerated by the military court in 1966 and in 1975 was given back his title by the Seni government. The Juridical Council in 1981 ruled that Phra Pimoltham was still fully qualified for reinstatement as the abbot of Wat Mahathat.

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CSO: 4200/387

MUSLIM LEADER CLAIMS RELIGIOUS EDUCATION NEGLECTED BY BANGKOK

Bangkok BANGKOK POST in English 24 Nov 85 p 1

[Article by Sermsuk Kasitipradit]

[Text] Satun — The Government has been urged to demonstrate its sincerity in its policy of teaching Islam to Muslim students in state schools in the province.

Islamic provincial committee chairman Bali Maraem claimed that the Government had neglected to provide an effective Islamic education programme.

Mr Bali said the study programme could contribute to a better understanding between local Muslims and the Government — had it been fully implemented.

The programme, he said, had not been introduced as initially planned, which had led Muslims to suspect the policymakers motives.

Mr Bali said many schools in the province which taught Islam had suspended the course as Muslim lecturers had quit or been moved to other areas.

"The problem wouldn't occur if the authorities concerned with the programme resolved the issue by immediately replacing those lecturers who resigned. However, they have neglected the matter and at the moment many schools here have stopped teaching the course," he said.

The Muslim leader said he had approached officials several times, but "they say they cannot find qualified Muslim lecturers for the courses or they don't have enough money. That is their excuse," claimed Mr Bali.

Warning that local parents would lose faith in the Government, he said: "They send their students to the state schools in the hope they will acquire Islamic teaching, but they don't get what they would like. So let's guess what their feelings would be on the issue."

The programme, which started in 1981, was intended to foster better understanding between Muslims and the Government by introducing Islamic courses in state schools to attract more Muslim students.

Under the plan, by next year about 1,073 state primary schools of the 1,547 in the five southern provinces must teach Islam.

So far, only 574 schools have implemented the programme.

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CSO: 4200/387

KOSON DISCUSSES EEC TRADE POLICY; U.S. TRADE VIEWED

Bangkok MATICHON in Thai 16 Nov 85 pp 1, 16

[Excerpts] On 15 November at the Ministry of Commerce, Mr Koson Krairuk, the minister of commerce, chaired a meeting of the National Cassava Policy Committee. Also attending the meeting were the units concerned from the Ministry of Foreign Affairs, the Ministry of Industry, the Bank of Thailand and the Thai Cassava Trade Association.

After the meeting, Mr Koson said that those at the meeting discussed the 1986 cassava trade agreement between Thailand and the EEC. This agreement will expire at the end of 1987. He said that they discussed three options: 1. to cancel the agreement, 2. to extend the agreement and accept the quotas, or 3. to carry on negotiations based on the old agreement but to ask for a higher quota.

The Ministry of Commerce and the Ministry of Foreign Affairs have analyzed these options to determine which would benefit Thailand the most. No decision will be made before he leaves at the end of this month to discuss matters with the EEC in order to obtain data and learn the decisions of the countries that favor and oppose signing an agreement with Thailand. Around the middle of December, the National Cassava Policy Committee will meet again to decide which option to take. The matter will then be submitted to the cabinet for approval before we inform the EEC, which must be informed by 31 December.

Mr Koson said that those at the meeting discussed a letter from Mr Uthai Phimchaichon, the Speaker of the House. In his letter, Mr Uthai said that cassava farmers have appealed to parliament to repeal the cassava agreement with the EEC. This agreement has caused domestic cassava prices to drop. Besides this, less cassava is exported than if we used a free-trade system.

Mr Koson said that scholars have pointed out that if the agreement with the EEC is canceled and Thailand is a member of GATT, the maximum tariff that the EEC can set on Thai cassava is 6 percent. But it must be understood that before we entered into this agreement with the EEC, Thailand was not a member of GATT. After we signed this agreement, we benefited more than other countries, that is, Indonesia and Mexico, that were members of GATT and that had agreements with the EEC. Thailand was able to export string cassava and cassava pellets to the EEC at a low tariff rate. The tariff imposed on cassava pellets from Indonesia and Mexico was 28 percent. Thus, if we cancel the agreement with the EEC while a member of GATT, we will have to renegotiate this. We may find ourselves in the same position as those two countries and face a tariff of 28 percent on cassava pellets exported to the EEC. Otherwise, the EEC will have to wage a legal battle that could drag on for 1 or 2 years. In such a case, the 10 billion baht a year that Thailand earns from cassava exports would be reduced greatly. The cassava farmers will face great problems and will not be able to find other markets.

Mr Koson said that if the bilaterial negotiations become acrimonious, the EEC might block other types of Thai goods. "They talk like that because they don't know what is going on. Mr Uthai doesn't know much about this either because he is not the minister of commerce. Thus, I don't blame him. I and the members of the National Cassava Policy Committee are the ones who know what is going on. The scholars have just memorized their textbooks and do not really know what is happening. If they did, they wouldn't say such things."

In his capacity as the secretary of the Committee to Raise 1986 Paddy Prices, Mr Prayun Thaloengsi, the director-general of the Department of Internal Trade, said that the Department of Internal Trade has sent a letter to the Bank of Thailand asking it to monitor the activities of the commercial banks in extending credit to the rice mills. Besides this, the rice mills in the provinces can request to participate in the programs of three sectors--the Rice Mill Association, the Provincial Commerce Office and the Rice Operations Center of the Department of Internal Trade. The rice exporters who participated in the meeting told the rice mills that the stipulated paddy prices are milled rice prices and that the exporters can make purchases from the mills. However, in order to keep the price of the rice sold by the mills from falling, the rice mills should not release too much rice onto the markets. This would put pressure on prices. Besides this, the Department of Internal Trade will carry on public relations activities in the provinces in order to ensure that the upcountry mills understand.

Mr Wichian Traiwongphaisan, the president of the Thai Textile Industry Association, said that the U.S. Congress ended the embargo on ready-made clothing from Thailand on 1 December. He said that as the president of this association, he would like to thank the Thai and U.S. governments for working to solve this problem. However, the ready-made clothing problem still exists. Because for 1986, the United States has set a quota of only 95 million square yards after deducting the excess amounts exported in 1984 and 1985. Thailand's export capacity is approximately 120 million square yards. Thus, domestic quotas will have to be set. He asked those engaged in this industry, including both those who are members and those who are not members of the association, to come discuss this at the Thai Clothing Industry Association in order to prepare data for setting textile quotas. A meeting will probably be held next week. Unless preparations are made, the exporters will compete for the markets, which will not be in everyone's best interest.

Mr Wichian said that within the next 1-2 years, it is expected that we will be able to export at least 2.5 billion baht worth of clothing.

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CSO: 4207/98

SMUGGLERS CAUGHT BRINGING IN GOODS FROM CAMBODIA

Bangkok DAO SIAM in Thai 22 Nov 85 p 16

[Unattributed report: "Traitors Smuggle Goods From Cambodia"]

[Text] A DAO SIAM reporter assigned to Trat Province reported that Police Lt Col Chaichana Suphakonkosai, the chief inspector at the Trat provinical police station in Muang District, learned that on 21 November, smugglers were going to smuggle goods into Khlong Yai Distict from Cambodia by truck. He mobilized a force of policemen, including Police Lt Col Yutthana Anan, the inspector for suppression, and Police Cpt Wiset Chinanit, the deputy inspector for suppression, and on the night of 20 November set a trap near the Trat River bridge.

At 0830 hours on 21 November, Police Lt Col Chaichana and his men saw a blue Hino truck, license No 80-4062 Chonburi Province, coming from Khlong Yai District headed toward Trat City. The truck fit the description provided by the agent and so Police Lt Col Chaichana signaled it to stop. He ordered Police Lt Col Yutthana and his men to search the truck, where they found nine types of smuggled goods. They found 10 sacks of anise, 7 sacks of dried fish maw, 1 sack of mushrooms, 1 sack of dried "luk leo," 2 sacks of "klet nim," 7 sacksof tortoise shells and 8 sacks of dried pepper. Altogether, the goods were worth 200,000 baht. The driver of the truck was identified as Mr Panya Tonyong, age 34, who lives at 22/15 Sukhumwit Road in Bangphra Subdistrict, Muang District, Trat Province. The youth in the back of the truck was identified as Mr Suthat Sisuwan, age 18. They were turned over to Police Sublieutenant To Sombun, the officer on duty, for interrogation.

During the interrogation, Mr Panya said that a man, whose name he doesn't know, had hired him to transport these goods from a location in Khlong Yai District to Trat City. He did not know to whom the goods belonged. He was to turn the goods over to a contact in the city. But these were smuggled goods and so he was detained for further handling of the case.

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CSO: 4207/98

DEPUTY SPEAKER, SITTHI CHIRAROT PLAY DOWN ATHIT-MP ROW

Bangkok SIAM RAT in Thai 14 Nov 85 pp 1, 12

[Unattributed report: "Piyawat Asks People Not to Be Angry With Athit; He is Not a Politician"]

[Text] In a recent interview, Gen Athit Kamlangek, the supreme commander and RTA CINC, criticized MPs for not taking a position and said that parliament had not done anything constructive. This upset Mr Thawiwat Rutruchai, a Democrat MP from Sakon Nakhon Province. He sent a letter to the Speaker of the House and called on MPs to give attention to and pursue this matter. He feels that such statements by the supreme commander do not support the democratic system and that this could lead to a coup d'etat. The army has issued an explanation concerning the letter that Mr Thawiwat sent to the Speaker of the House. The army said that Mr Thawiwat was damaging the institution and the leader of the army with his narrowminded views and irresponsible actions.

In talking with reporters, Mr Thawiwat denied that he was trying to destroy the institution or that he was narrowminded. He said that he was expressing his views just like others and that because this concerned parliament, he submitted the matter to the Speaker of the House. He said that he was not impressed by Gen Athit's explanation.

Mr Piyawat Watraphon, the deputy Speaker of the House, talked about the Army Meets the People radio program and the response by Mr Thawiwat. He said that both sides were expressing their personal views and that this should not lead to a serious conflict. In a democracy, people have the right to express different opinions within limits. It is up to the people to decide who is right and what is proper. But he said that he does not support slandering the other side.

Mr Piyawat cited the director of the Siam Manutsati Program as an example. The country is experiencing turmoil. At a time when the country needs unity, we should support the country and not do anything to cause splits. The more that people say, the greater the damage using government tools. This is very sad. Mr Thawiwat should not get so upset. He should know that Gen Athit is not a politician and that it is difficult for him to understand politics. He should not get so upset about this.

"When he resigned from the Senate, he said that he was doing this because remaining in the Senate would not benefit the country. Ten of his colleagues resigned with him. This has put pressure on him to become a senator again. He may be upset about this. He still feels the same way."

Mr Piyawat said that pitting parliament and the military against each other is not correct. Each side should concentrate on doing its own job as well as it can. Gen Athit is a soldier and cannot possibly know as much about parliamentary affairs as the politicians. Similarly, politicians cannot possibily know as much about military matters as he does.

When asked whether the response voiced on the radio program would make the situation even more tense, Mr Piyawat said that some may think that. But he views this as a minor matter. No one needs to get upset. Also, that radio program was not prepared by the military. It was probably prepared by others. Who is the real "Mong?" It would be much better if the senior people concentrated on this question. If anyone is to blame, it is the Radio and Television Administrative Committee. If the Radio and Television Administrative Committee has given the green light to such programs, he will call for a no-confidence debate on Police Lt Chan Manutham, the minister attached to the Office of the Prime Minister.

Mr Prayun Suraniwong, an MP from Udorn Thani and the former secretary-general of the National Democracy Party, told SIAM RAT that what happened is like a political row prior to an election. The two sides are saying different things now, but once the election is over, the attacks will stop. This is the nature of politics today. There is no cause for alarm. Each side is using democracy as their tool in the fight. Each side is just trying to win votes.

Mr Prayun said that those on the military radio have the right to say whatever they want. And what they said was not wrong. He admits that MPs do criticize each other in parliament. But they failed to mention all the good things that parliament has done. The military said that its duty is to defend the country. That is true. That's the good point. But there are many bad points, too. For example, some soldiers have profited by allowing companies, such as the Mass Development Corporation, to use their name. Such events as this are common prior to an election. There is no reason to worry about this.

Gen Sitthi Chirarot, the minister of interior, talked about this matter that morning. He said that he is a retired soldier. This doesn't worry him very much. He said that we should listen to the views of each side based on the democratic system. We should allow people to speak out. Some people might think that the two sides are attacking each other and grow tired of this. He said that he hopes that people will not become bored. People should pay attention. They will learn more.

The minister of interior and former deputy RTA CINC said that he is not interested in who attacks who. But people should not allow this to become a major issue. We must get along and understand each other.

Gen Sitthi said that those participating in the debates of the mass media and scholars and those attending various seminars have discussed the political institutions. This subject is not off limits. Everyone is free to discuss this. In particular, the people are free to discuss this and make criticisms.

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MORE ON UTHAI, MPS REACTION TO ATHIT CRITICISM

Bangkok SIAM RAT in Thai 13 Nov 85 pp 1, 12

[Unattributed report: "Speaker of the House Tells MPs Not to Become Upset by Athit's Critical Remarks"]

[Excerpts] At parliament yesterday, Mr Uthai Phimchaichon, the Speaker of the House, answered reporters' questions about the matter of Gen Athit Kamlangek, the supreme commander and RTA CINC, criticizing MPs by saying that "they don't have any standpoint. All they do is trade abuses." Mr Uthai said that he has received a letter of appeal from MPs. He has sent a memorandum to the minister of defense in order to inform him about this matter.

Mr Uthai said that he told the MPs who informed him about this not to pursue the matter. "The people know what is going on. In the present situation, we cannot engage in such bickering. There are many other problems. It is sometimes necessary to show restraint. People should not get excited."

Mr Uthai said that people often say that all that parliament does is trade abuses. People think that MPs are attacking each other when they hold debates. But that is incorrect. They think that parliament is destroying the country.

"Those who do not want a parliament speak ill of us. Those who do want a parliament speak well of us. There are two sides. I would like to ask the people which side they support. They must express their view because this concerns the democratic system. We can't just attack each other."

The reporter asked him how he felt about the fact that the military radio station is attacking the political parties and MPs more frequently. Mr Uthai said that the people know what is going on because democracy is improving.

"I would like to tell the military radio station that if it wants democracy to become stronger, it should present constructive programs. It should not broadcast programs that undermine people's faith in the democratic system."

In his capacity as a member of the House Military Subcommittee, Mr Prasit Donphongam, a Thai Prachakon Party MP from Chainat Province, told reporters that he did not think that the leader of the military would say something like that. Talking like that is an insult to the institution and to the MPs elected by the people. "The MPs have worked with the military and supported the military. We have never cut their budget. I never thought that he would say such a thing."

Mr Prasit said that there are many senior military officers who support the democratic system. These officers have shown great discipline and helped build the country. "But what Gen Athit said is harmful to democracy."

Mr Prasit said that he intends to bring this matter before the Military Subcommittee.

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CSO: 4207/98

COLUMNIST CITES DR SNOH, WANTS CUTS IN MILITARY SPENDING

Bangkok BAN MUANG in Thai 23 Nov 85 p 5

[Ta Mo Lo column: "Guns-Butter, Which Has Priority?"]

[Text] Last week, Mr Snoh Unakun, the secretary-general of the National Economic and Social Development Board, or "Development Council" as it is called, discussed the country's economic situation and the military's weapons procurement budget.

Mr Snoh said that the country's economic situation is very dismal. Businesses must make adjustments and reduce expenditures. They must reduce investments in projects that do not give a good return or that produce products that cannot be sold. We must be very careful about the Thai economic situation, otherwise the country could go bankrupt in the next 1-2 years. The situation here could become like that in the Philippines. The financial position of the Philippines is so bad that foreign creditors have gone to Manila to control the finances of the Philippines.

Mr Snoh said that the economic situation continues to look quite bleak. Earnings from the export of agricultural products and industrial goods will not increase very much. Other countries continue to implement trade protectionist measures. Also, increased quantities of agricultural products are reaching the markets. This poses a threat to Thai agricultural products. As for improving the situation, Mr Snoh said that Thailand's economic position must be supported in order to prevent the situation from becoming critical. This must be done by reducing the balance of trade deficit and curtailing investments in projects that do not give a good return or that are not essential.

He also discussed the weapons purchasing budget of the military. He said that "even the military's budget for purchasing weapons and military equipment, which must be purchased using foreign currency, must be reviewed. The military has to understand the facts. When they do, it is hoped that they will not do anything to cause problems and that they will help support the country so that we can avoid an economic crisis."

It was very courageous of Mr Snoh to talk so frankly about the weapons budget of the military. As of yet, the military has not responded. The television and radio stations of the military have remained silent about this. This shows that the military is analyzing this matter.

Air Chief Marshal Phaniang Kantarat, the deputy minister of defense and the former RTAF CINC, answered reporters questions very cautiously. He said that in purchasing weapons, the military purchases only what is necessary. And it stays within the budget stipulated by the government.

Yes, the air force purchased the F-16 aircraft using the budget funds given it by the government. The military's budget "lobbying" methods have developed. During the administration of Field Marshal Phibunsongkhram, they did things in a very simple and direct manner. They simply put on their uniforms, marched into the office of the minister of finance, placed their pistols on the table of the minister and began negotiating. They came right to the point, saying "I need this much money" (the actual amount is beside the point). They then picked up their pistols and walked out. They always got the budget they wanted.

The military no longer uses this "lobbying" method. The method now used by the military is very "classic." However, to hear the secretary-general of the Development Council say that the military's weapons budget is excessive in view of the country's present economic situation and that the country could go bankupt if a mistake is made is almost beyond belief. Because normally, civilian officials try to avoid getting into an argument with the military. But it is time that the military started listening and gave some thought to which is more important, guns or butter.

I don't think that the government's finance officials would deny that it is necessary to purchase weapons for the military. But this must be in accord with our economic situation. Ever since Thailand changed administrative systems, the military's budget has been very large. The military has always cited necessity. It's true that the military budget was very large in those periods, but the effect on the country's economy was not very great. Even though our country was a poor country, our economy was fairly good. We had an abundance of resources and did not feel poor. But that did retard national development and prevented us from keeping up with others in the world. Problems piled up, and they are still with us today.

But now, the "bright days" of our economy are past. An economist who holds a national-level administrative position has admitted that things are "dismal." In this situation, it is imperative that we reduce the "need" for weapons in order to help the economy and make it through this crisis safely. Otherwise, we won't have either guns or butter.

It's true that the country now faces security problems. But I am confident that the government will be able to solve these problems using political methods. At the very least, these problems can be kept on hold for a few years. After the economy has recovered, we can start playing with weapons again. We could even buy more advanced weapons than the F-16.

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CSO: 4207/101

THAILAND

BOARD OF TRADE: JAPAN STILL FAILS TO MEET IMPORT GOALS

Bangkok THE NATION in English 29 Nov 85 p 25

[Text]

BOARD of Trade President Dr Somphob Sussangkarn said yesterday that it is still necessary for Thailand and Japan to jointly set the target for trade as otherwise there will be no firm commitment on Japan's imports from this country.

Dr Somphob's statement came after indications that Japan would not want to be committed to import Thai goods under that target jointly set every year.

Deputy Foreign Minister Prapas Limpabhandu will lead a delegation to Tokyo next month to talk on restructuring of bilateral economic relations based on the "White Paper" submitted to the Japanese government earlier.

The Thai side expects that Japan would try to avoid the annual trade target. Dr Somphob said that he disagreed with the absence of the annual trade target.

The two countries have a joint team to review the performance on bilateral trade, particularly Japan's imports of Thai products, every three months. Japan has never reached the annual target in any year since this was adopted years ago.

"If we don't have the annual target, there is no firm guarantee that on the extent of Japan's imports of Thai products. We will not have figures to complain about trade deficit. Japan wants to scrap this system to avoid our criticism," Dr Somphob said.

He pointed out that Japan cannot unilaterally abolish this system without prior negotiations.

Japan is Thailand's biggest trading partner and it accounts for about half of the country's trade deficit.

Commenting on maize trade with Japan, Dr Somphob said that the BoT was assigned by the Commerce Ministry to supervise trade of the crop with Taiwan and Japan. By this, the BoT collects guarantee from exporters in the form of bank guarantee at the late of 300 baht per ton to ensure fulfillment of contracts.

Japan wants to have free maize trade instead of a contract through the BoT. The Japan Feed Trade Association wants its members to negotiate directly with Thai exporters.

/9274
CSO: 4200/387

FURTHER ON POLICY MAKERS', BANKERS' DEBATE ON ECONOMIC PRIORITIES

Bangkok MATICHON in Thai 17 Nov 85 pp 1, 16

[Excerpts] On 16 November at the Ambassador Hotel, the Thammasat Association sponsored a debate on the topic "The Future of the Thai Economy: Bright or Dismal." Participating in the debate were Mr Suthi Singsane, the deputy minister of finance, Mr Snoh Unakun, the secretary-general of the National Economic and Social Development Council, Mr Chawalit Thanachanan, the deputy governor of the Bank of Thailand, Mr Amnuai Wirawan, the managing director of Bangkok Bank, and Mr Thapana Bunnak, the secretary of the Chamber of Commerce. Mr Kroekkiet Phiphatseritham, the vice rector of Thammasat University, moderated the debate.

Concern About the Foreign Debt

Mr Suthi said that our foreign debt is now causing concern. Besides reducing foreign debt creation, we will also review spending money on large-scale construction projects. We must determine whether these projects will give us a good and quick return on our investment. As for the state enterprises, efforts are being made to have them engage in business activities that will enable them to become self-reliant. Investments in projects that do not benefit the country will be halted.

Mr Snoh Unakun, the secretary-general of the Development Council, said that the country's economic situation is very dismal. Businesses must make adjustments and reduce expenditures. Investments in producing products that cannot be sold must be reduced. The balance of trade deficit must be reduced. The Thai economy is in a very dangerous position. If we ignore things, the country could go bankrupt within the next 1 to 2 years. We could find ourselves in the same position as the Philippines.

"We must support the Thai economy and not allow the situation to become critical. This must be done by reducing investments. Even certain development projects in the eastern seaboard development project must be reviewed to see if they are really necessary. Those that are not essential will be postponed or canceled," said Mr Snoh. He added that the budget for purchasing weapons and military equipment, which must be purchased using foreign currency, must be reviewed. The military must be made to understand the economic problems. We are all patriotic. When the military understands the facts, hopefully they will try to prevent any problems from arising. The country will survive.

Mr Snoh said that the world is now in the midst of an economic war. Thailand must make a stand. We must be ready to launch an offensive to bring in revenues. We must bolster morale for the fight. It is essential that we increase marketing expenditures. In the past, the budget has been very small. We have not had any marketing data. Because of this, Thai businessmen are at a disadvantage as compared with businessmen in other countries.

Mr Chawalit Thanachanan, the deputy governor of the Bank of Thailand, said that Thailand is not the only country experiencing economic problems. The recession is worldwide. Our economic growth rate is higher than that of several of the other ASEAN countries. The Ministry of Finance and the Bank of Thailand must implement a very cautious monetary policy. The economy next year will probably be about the same as this year. That is, the general economy will be bad. But the balance of trade and the balance of payments will be better. There is reason to hope that Thailand's economy will be fair, although not really bright. We must face the truth so that we can solve the problems. We can't look at all the problems and just give up.

The Government Is Concerned Only About Political Matters

Mr Amnuai Wirawan, the managing director of Bangkok Bank Ltd, said that the "government usually looks at things from a political standpoint. This is because political parties form the core, and the military guides things. On the other hand, private businessmen are concerned about profits and losses. The government and state enterprises account for about one-third of the economy while the private sector accounts for about two-thirds, or approximately 70 percent. The government can't play the role of spearhead. The private sector must be the spearhead. If the country's economy is to prosper, there must be close mutual support," said Mr Amnuai.

As for Thailand's present economic situation, Mr Amnuai said that "we are presently in a twilight zone. This is a very dangerous period. If we compare this with driving a car, it is now very difficult to drive since it is difficult to see the road. The government is very afraid of inflation and debt. It has implemented a policy of restraint, or zero growth. No one disagrees with this, but this has had a great effect on the economy. Looking back, it can be seen that we incurred a huge trade deficit because of purchasing machinery for investment projects. But we have not been able to sell our products. We don't have money to pay the interest. The national bank says that we view the world negatively, but that is not true. We have to fight. We can't just sit quietly in our airconditioned offices. We are confronting trade protectionist policies. Even though President Reagan vetoed the Jenkins Bill this time, if the trade deficit of the United States grows worse next year, things will become much worse for us."

Mr Amnuai said that the economic growth rate in 1985 is about 4 percent. This will decline in 1986. The construction industry grew only 1 to 1.5 percent this year. More than 50 mines have closed because they can't sell their ore.

Stop the Corruption

Mr Thapana Bunnak, the secretary of the Thai Chamber of Commerce, said that actually, Thailand has strong barriers. Things should not have declined like this. The reason why the economy is in such trouble is that neither the government nor the private sector has taken steps to solve the problems. In this semi-democratic period, we attempt to solve the economic problems based on political pressure. We don't try to solve the real economic problems. Civil servants are frequently harassed. In the past it was C-11, but now it is C-7 and C-8 officials. They have to try to find protection. If they don't satsify the desires of the C-9 and C-10 officials, they are transferred. The number of criminal cases has risen again.

"People don't have any savings. The money in the nonformal system can't be controlled. By the time the law was promulgated, it was too late. Chamoy has hidden the money. Actually, the large amounts of money in the nonformal system made the middle class very wasteful because the money earned such high rates of interest," said Mr Thapana. He also said that "we look only at the total economy and at the large businesses. We allow small businesses to go bankrupt and forget that if large number of small businesses go bankrupt, the large businesses will be affected, too. The large businesses are now feeling the pinch. The banks know this but don't dare say anything. This matter should be brought to the attention of the Joint Public-Private Committee to Solve the Economic Problems."

Opposes Zero Growth

Mr Thapana said that the public and private sectors are now following different paths. It must not be forgotten that there are more than 300 bills pending in the U.S. Congress that will affect Thailand if passed into law. The textile problem was handled satisfactorily because Mr Chirayu Isarangkun Na Ayuthaya, the minister of industry, who is not a politician, took action to solve the problems. This was a good example of the public and private sectors cooperating to solve a problem. The two sectors did not fight against each other. But the Chamber of Commerce doesn't dare say anything about the present state of private-sector trade and business because it is involved in politics, too.

"I oppose the zero growth policy. It is like a millipede that just curls up whenever something happens. Don't forget that there are now more than 2 million people unemployed," said Mr Thapana.

Soldiers and Civilians Have to Discuss "Weapons"

After the debate, Mr Chawalit told reporters that it is essential that we think about the purchase of weapons, such as aircraft and tanks. Even if the money for the purchase of these items comes from the national budget, these items must be paid for using foreign currency. This foreign currency comes from revenues from exports. At present, there is a shortage of foreign currency because exports are earning very little. If we have to use our foreign currency for weapons, the country's balance of payments deficit will grow worse. This will only increase our foreign debt.

"Some of the people responsible in the military don't understand this problem. To solve the country's economic problems, we have to explain things to them so that they understand the problem. We have to explain the international monetary situation to them so that they understand how this is affecting Thailand today. It is essential that the military and civilian sectors discuss this together," said Mr Chawalit.

Mr Chawalit said that it is not true that 27 percent of the country's foreign currency revenues from exports and services is used to service the country's foreign debt. He said that according to World Bank and IMF standards, the percentage spent on servicing the debt was only 20-21 percent in 1985. But even though this is a lower percentage, this is still a very high figure. This poses a threat to the country. We stipulated that this was not to exceed 20 percent. If it reaches 20 percent or more, it poses a threat. Thus, we must be careful and monitor debt creation very closely.

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THAILAND

CHANGES TO CENTRAL BANK ACT DISCUSSED

Bangkok BANGKOK POST in English 24 Nov 85 p 6

[Article by Sunissa Hancock]

[Text] IT cannot be said to have been a red herring, for the subject was far too important and substantial to be classified in that manner. Nevertheless, it can be said that the amendments to the Commercial Banking Act did act in some ways as a red herring, for with most people concentrating on these amendments, relatively little attention was paid to another of the amendments proposed by the Finance Ministry and the Bank of Thailand: the amendments to the Bank of Thailand Act BE 2485 (1942).

To most people, the proposed amendments to this Act did not merit too much attention for they were not considered to be of a controversial nature. After all, it appeared that the general public could only gain from this move, for what was proposed by the Finance Ministry and the Bank of Thailand was the setting up of a special fund which would be used to protect the public in the event financial institutions were to run into problems and collapse.

Under the proposal, this Fund for Reviving and Developing the System of Financial Institutions would have the authority to carry out various activities ranging from borrowing from and lending money to other financial institutions; issuing guarantees, avals and promissory notes; providing assistance to depositors and creditors; all the way to holding equities in other financial institutions.

In other words, this fund was to have the authority to do just about anything it wished in order to achieve its objectives of reviving and developing the financial institutions in such a way that the country's financial system could only become more secure and stable.

The best part of all this where many were concerned — and this incidentally, was one of the reasons why few people thought twice about the proposal — was that the setting up of this fund wouldn't cost the Government anything at all, for it would not be the Government that would be called on to provide the money for this fund.

In a move which was regarded by many in the light of poetic justice, the amendment stipulated that the financial institutions themselves were to be responsible for providing the funds.

Exactly how much the financial institutions were to contribute each year would depend on the Finance Ministry and the Bank of Thailand, but the upper limit would be 0.5% of their deposits.

The general feeling — and one which contributed to the feeling of indifference over this proposal — was that having the industry contribute towards reviving and developing the industry was a fair move. A case of if the industry created problems for the public, then it should be the industry that should bear the burden of solving these problems.

The lack of concern also stemmed from a misunderstanding over the nature of this fund. To many, it was just another name for the Deposit Insurance Institute which was proposed by the Bank of Thailand two or three years ago — a proposal which was not only discussed in great detail at that time, but which became a highly controversial issue as well following the Finance Ministry's decision to veto it.

This time round, it was felt that the Finance Ministry was finally admitting that it hadn't made the right decision three years ago. As a face-saving gesture, however, it had to avoid the term Deposit Insurance Institute — which is why the rather unwieldy name of Fund for the Revival and Development of the System of Financial Institutions made its appearance.

Most important of all, however, was the fact that the attention of most people was directed towards the highly controversial amendments to the commercial banking act, for compared to those amendments, the amendment to the Bank of Thailand Act was seen as being nothing out of the ordinary.

Besides, with all the amendments being rammed through the Cabinet by the Finance Ministry, most people had little time to think over all the ramifications of one set of amendments, let alone all the others.

Attention

Now that a breathing space has been gained, however, quite a number of people have turned their attention to the amendment to the Bank of Thailand Act and to the setting up of this fund — and what they saw has made them very apprehensive. And these feelings of apprehension are not confined to just the people in the industry, for they are to be found among both Finance Ministry and Bank of Thailand officials as well.

Though the amendment to the Bank of Thailand Act — like the amendments to the Commercial Banking Act and the Finance, Securities and Credit Foncier Act — did come out of the Finance Ministry and the Bank of Thailand, it is an open secret that a mere handful of officials from both institutions were responsible for drawing them up.

It is an open secret, too, that the officials concerned chose not to hold open discussions on these amendments, for they were very confident that they knew exactly what it was that needed to be done in terms of regulating, reviving and developing the financial institutions.

The result was that their own colleagues in both institutions have — privately and unofficially — expressed serious reservations to proposals such as the setting up of this fund.

Among the reservations expressed is the belief that the proposal to set up this fund could be bad for the Government's image.

Those who hold this view point out that the setting up of this fund in the manner set out in the amendment implies that the country's monetary and fiscal authorities are not competent enough to be able to support and develop the country's financial institutions on their own — and this is why they have had to turn to the better-run financial institutions for help.

By passing this special decree, financial institutions are being forced into providing assistance — something which is hardly in keeping with the image the Government would like to promote — an image of a monetary and a fiscal authority which is in full control of the situation.

There is the feeling among some officials, too, that the setting up of this fund could lead to serious problems for both the monetary and fiscal authorities in the future.

This, they say, is because this fund will mislead the general public into thinking that the Government guarantees all financial institutions — that all deposits are perfectly safe, for no matter what happens to any institution, the fund will look after the public. That all — and not just a part of — deposits will be returned.

While it can be argued that nowhere in the amendment is it written that the fund guarantees the viability of the financial system and the return of all deposits, the fact is that nowhere in the amendment is it written that this is not so. The result, officials say, is that there are quite a number of people who believe that no matter what might happen to a financial institution, their money is perfectly safe, for the fund will return them all their deposits.

That this assumption is not necessarily right isn't particularly important, for so long as there are people who believe this, the chances are that the Government could face problems in the future.

As they point out, if a financial institution were to collapse in the future, and if the monetary and fiscal authorities were to announce then that not all deposits would be returned, they could well face protests from an angry public who believe that they have been misled.

The point is that the fund, as it has been envisaged by its proponents, just doesn't have the ability to support the whole financial system. With deposits at the 16 commercial banks alone amounting to over 500,000 million baht, letting the public assume that all is well now that the fund has been set up is asking for trouble in the future.

There is also concern among both officials and bankers that the setting up of this fund could lead to a decline in the quality of banking here, for banks and finance companies could well stop competing on the basis of services, performance and management. Instead, the banks and the finance companies could well engage in a new interest rate battle again.

This, they say, is because the belief that the Government — through the fund — is guaranteeing their deposits will make the public even less discriminating than before in deciding where they will place their funds. After all, if all deposits are perfectly safe no matter where they are placed, then it would make sense to place them where they will earn the highest returns.

The fear is that should this happen, another interest rate war could arise — and this time, this war could well be even more intense than the interest rate battle which raged prior to the collapse of a number of finance companies a few years ago.

There is the fear, too, that some financial institutions might be tempted to use the existence of this fund in their efforts to gain deposits — a case of "advertising" that since the institution concerned is protected by the fund, people can place their money with the institution in complete confidence that all is well.

The point which has to be remembered, they say, is that even if the Bank of Thailand carried out its function of supervising and controlling the financial institutions rigourously, a change in the economic conditions could well affect the operations of the various institutions — and the resultant race for deposits could mean a series of disasters which have to be mopped up by the monetary and fiscal authorities.

Arbitrary

Bankers and financiers are very unhappy, too, at the arbitrary way in which the amendment forces them to hand over anything up to 0.5% of their deposits a year to this fund. Given the total deposits in the commercial banking system of close to 550,000 million baht, this means an upper limit of about 2,600 million baht.

The question they've been asking is: How is this contribution to the fund to be treated in their books? Is it to be regarded as a charitable donation? A bad debt reserve?

One thing is for sure: this contribution — unlike funds which the commercial banks have been strong-armed into providing in the past to such things as the Krung Thai Fund and so on — cannot be looked on as an asset in anyway.

Unlike other contributions they made, the commercial banks and other financial institutions know from the start that they will never see their money again. Not only will they not see the capital, but they won't see any return on the funds either, for while the amendment to the Bank of Thailand Act states that the financial institutions are to contribute money to the fund, it doesn't say anything at all about paying any interest on this money. The result, where the banks are concerned, is that this contribution is going to have to be treated as an expense.

This, informed sources say, is something which the monetary and fiscal authorities appear to have only just realised. Having realised it, however, it seems that the amendment could well be revised to allow the commercial banks a minimal return on these funds — just enough so that this contribution doesn't have to be treated as an expense item in their books.

Another cause for concern for the bankers is that they don't know how much the monetary authorities expect them to contribute to the fund. The law says this contribution can be up to a ceiling of 0.5% of deposits a year, but there is some doubt at the moment as to whether the authorities intend to call up the full 0.5% each year, or whether it will call up 0.5% in the first year and then 0.5% of the increase in deposits in successive years.

Bankers have indicated that should the monetary authorities go for the first option — the 0.5% of total deposits each year — they will be in trouble, for they cannot afford to give away massive sums like this each year without it having an adverse effect on their operations.

It has been pointed out that the gross profits of all 16 commercial banks amount to a little over 9,000 million baht, so that paying the fund the 2,600 million baht or so, which represents the 0.5% of deposits, is, in fact, tantamont to giving away close on 29% of the profit of the commercial banking system. If looked at from the point of view of the net profit of the system, then the commercial banks are going to be paying out about 37% of the 7,000-odd million baht involved.

As the bankers note, this charity effort will hurt not only the shareholders of the banks who will now have to share in a smaller amount of profit, but it will also hurt the institutions themselves. This is because while part of the profit goes to the shareholders, a part of it is normally ploughed back into the banks — the proportion depending on each banks' need for capital funds.

What has upset them, too, is the belief that the authorities are taking funds from the well-run institutions in order to support the badly managed ones. It is also believed that most of this first contribution will be given to Sayam Bank in lieu of the Government's increasing the bank's equity — the management of Sayam Bank having made it very clear that without an increase in equity, they will not be able to turn what was Asia Trust Bank around.

There have been reports that the authorities conceived this fund as a way out of their dilemma. On the one hand, they want to see Sayam Bank turned around into a viable operation, but on the other hand, they don't want the Government to have to put up the funds that would be necessary if the equity were to be increased. So, by forcing all the other banks to contribute to this fund, they can provide Sayam Bank with the funds it needs at no cost to the Government.

How true this is will depend on what the authorities do with the funds contributed by the banks. However, if as speculated, most of the funds are already earmarked for Sayam Bank, then the question that has to be asked is: Will the fund have sufficient money left after that to support and revive any other financial institutions which might just happen to need this help shortly?

Where people in the industry are concerned, what would have been far more desirable than amending the Bank of Thailand Act in order to set up this fund would have been amending the Act to allow for the setting up of some type of Deposit Insurance Institute.

As they point out, this would provide small depositors with the protection they need while withholding protection from big depositors and juristic entities — a concept that is routinely accepted in many other countries.

They note that while monetary authorities worldwide are interested in providing protection for small depositors, few are overly concerned with others, for the belief is that big depositors and juristic entities are in a better position to gain information. As informed depositors, they are able to better evaluate the risks involved and are better able to choose where they are going to place their money.

Small depositors, on the other hand, do not have this same access to information, and as a result of this, the decisions they make are not necessarily informed decisions. These, most monetary authorities feel, are the people who need to be helped — which is why the protection given is only up to a certain amount.

Deposit

By making it known right from the start just how much depositors can expect to get back if the institution with which they place their money fails, depositors are expected to take a reasonable amount of care before depositing their money.

Bankers note, too, that in democratic countries, deposit insurance institutions are usually independent and voluntary institutions in that no bank is forced to participate if it doesn't wish to do so. Those who do participate, however, can use the fact that they are members of this institute in their advertising and in other efforts to attract depositors — a case of informing depositors that the institution concerned does have an "insurance scheme" for its depositors in case anything should go wrong.

At the same time, the banks which do participate in something like the US FDIC, for example, are given a return on their contributions — not a very high return perhaps, but nevertheless a return.

Why the Bank of Thailand, which was previously in favour of a Deposit Insurance Institute, should end up amending the Bank of Thailand Act in such a way as to permit the setting up of a fund which is so different from what had been previously discussed is not clear.

What is becoming clearer by the day, however, is that setting up the fund isn't going to be quite the easy matter envisaged by its proponents, for there are numerous pitfalls along the way. It now remains to be seen whether the fiscal and monetary authorities are going to be nimble enough to avoid these pitfalls, for if they are not, then this fund which has the stated objective of reviving and developing the financial system could well end up acting as a destabilising factor.

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CSO: 4200/387

TONGA

BRIEFS

TRADE GAP WIDENS--Tonga had a $T3.8 million trade deficit in June, an increase of 9% over the May figure. The import bill increased by $300 000 to $4.4 million and exports rose from $460 000 to $490 000. Fuels and lubricants accounted for 28% of the import bill. Australia was the main supplier with 43% followed by New Zealand 34%, the United States 9% and Fiji 5%. Exports of yams, bananas and watermelons increased. Coconut oil worth $303 000, 10% down on the previous month, headed exports. [Text] [Sydney THE SOUTH SEA DIGEST in English 15 Nov 85 p 4] /12379

CSO: 4200/360

VANUATU

BRIEFS

EEC AID--The European Economic Community (EEC) will give Vanuatu $A1 million under the Lome Convention to buy heavy equipment to improve the Public Works Department's operations. International tenders will be called for the supply of the equipment which will include bulldozers, graders and mobile workshops. The Vanuatu Government is also hoping to increase its income by increasing some taxes and fees. The Council of Ministers has approved increases in the airport departure tax, motor vehicle taxes and passport fees. The airport departure tax has been doubled from Vt600 ($A11.60 approx). [Text] [Sydney THE SOUTH SEA DIGEST in English 15 Nov 85 p 2] /12379

CSO: 4200/362

SIHANOUK ABANDONS 'COCKTAIL PARTY' TALKS PROPOSAL

HK101512 Hong Kong AFP in English 1455 GMT 10 Dec 85

[By Pierre-Antoine Donnet]

[Text] Beijing, 10 Dec (AFP)--China has promised to apply increasing military pressure on Vietnam along their common border to force Hanoi to withdraw soldiers from Cambodia, Cambodian resistance leader Prince Norodom Sihanouk said here today.

Prince Sihanouk also said that he had given up the idea of informal "cocktail party" talks with Vietnam and the pro-Vietnamese government in Phnom Penh because the proposal was not immediately viable.

"There are, there were and there will be clashes" along the Sino-Vietnamese border, the prince told a press conference.

"China will put a heavier and heavier pressure (on Vietnam) in order to compel Vietnam to withdraw its soldiers out of Cambodia," he said.

Prince Sihanouk said that the Chinese military presence on the border had obliged Vietnam to maintain several hundred thousand troops in the area, and that China had undertaken to send more of its own troops to the frontier.

He also said he had just received a list of munitions that China was to give to the Cambodian resistance next month to help it withstand Vietnamese attacks.

The prince's four-day visit to China ends today. He was accompanied by the leaders of the other factions of the tripartite resistance coalition he heads--Khieu Samphan of the communist Khmer Rouge and Son Sann of the Khmer People's National Liberation Front.

The prince had proposed that all sides in the Cambodian conflict--Vietnam, the Soviet Union and the Phnom Penh government on the one hand and the Association of Southeast Asian Nations (ASEAN), China and the resistance on the other--get together for informal discussions.

But he said today: "I'm giving up my idea of a cocktail party. Nobody wants to take part in it. It could not have taken place, at least not in the immediate future."

The idea was welcomed by ASEAN members Indonesia--which offered to host the talks--and Thailand.

But China has let it be known that it is opposed to all indirect negotiations, and Vietnam insists that talks can take place only if the Khmer Rouge is excluded.

Mr Khieu Samphan told the press conference that former Khmer Rouge leader Pol Pot had retired. [Word indistinct] Pol Pot's regime has been blamed for the deaths of hundreds of thousands of Cambodians during its rule in Cambodia between 1975 and 1978.

"We are realists, so we are able to face the reality of things," said Mr Khieu Samphan.

He said that the Khmer Rouge was not seeking to return to power in Cambodia.

"We are sticking by our coalition. It's sacred," he said, adding that if the resistance triumphed the Khmer Rouge would not use force to settle its differences with the other resistance factions, because the end of the alliance would mean the end of Cambodia.

Differences between the three resistance factions are common and often surface in public.

Prince Sihanouk has several times threatened to resign as coalition leader, and in July said that he was uncomfortable being associated with the Khmer Rouge, whom he called "monsters."

Each time the three resistance leaders visit Chian, Beijing exhorts them to unite in their fight against Vietnamese troops, estimated to number between 150,000 and 170,000, stationed in Cambodia.

Mr Son Sann said that five million dollars in aid given by the United States a few months ago to the two non-communist resistance factions was a positive sign, but that it was nothing in comparison with Soviet aid to Vietnam, which, he said, amounted to more than 100 million dollars per day.

Prince Sihanouk would not specify how many or what kind of weapons China was to give the resistance.

During their visit the three resistance leaders met China's Predominant leader, Deng Xiaoping, and also Chinese President Li Xiannian, Communist Party General Secretary Hu Yaobang and Prime Minister Zhao Ziyang.

/9274
CSO: 4200/372

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

SIHANOUK ON PRC MILITARY PRESSURE AGAINST SRV

OW110327 Tokyo KYODO in English 0316 GMT 11 Dec 85

[Text] Beijing, 11 Dec (KYODO)--China plans to deploy troops all along its border with Vietnam until Hanoi has completed withdrawal of its forces from Kampuchea, Kampuchean resistance leader Prince Norodom Sihanouk said here Tuesday.

Sihanouk quoted Chinese leaders as saying the action is aimed at pegging Vietnamese forces along the border, preventing them from being moved to Kampuchea.

If Vietnam's occupation of Kampuchea lasts 100 years, deployment of Chinese troops along the border will last 100 years, too, Sihanouk quoted the Chinese as saying.

Vietnam sent troops into Kampuchea in early 1979 to help anti-Khmer Rouge leader Heng Samrin install the pro-Hanoi administration in Phnom Penh, after toppling the Khmer Rouge government.

Hanoi still deploys an estimated 140,000 troops in Kampuchea but says it will withdraw the forces by 1990.

Sihanouk, president of Democratic Kampuchea, and the two other top leaders, Vice President Khieu Samphan and Prime Minister Son Sann, ended a four-day official visit to China Tuesday. They held talks with Chinese leaders, including Communist Party elder Deng Xiaoping and Premier Zhao Ziyang, while they are in Beijing at the invitation of the Chinese Government.

Speaking to reporters, Sihanouk said there are no indications of any change in the Soviet Union's support of the Vietnamese military presence in Kampuchea.

But Chinese leaders said there will be no normalization of their relations with the Soviet Union unless Moscow changes its pro-Hanoi policy concerning the Kampuchea situation, according to Sihanouk.

He said China also pledged miliary and humanitarian assistance to the three groups of Kampuchean resistance forces, led by the three leaders.

The non-military aid amounts to 1 million yuan, equivalent to 330,000 dollars, Sihanouk said.

But he did not elaborate on the military assistance.

Khieu Samphan was also present at the news conference and said former Khmer Rouge military commander Pol Pot, who is blamed for the alleged murder of millions of Kampucheans under his reign of terror, is still alive in Kampuchea.

Sihanouk said his resistance force, Moulinaka, has organized 11,500 men and women, while Son Sann said his guerrilla group has 2,000 regular and 13,000 non-regular members fighting Vietnamese troops.

But Khieu Samphan refused to reveal the strength of the Khmer Rouge, the strongest of the three resistance forces.

/9274
CSO: 4200/372

ANS FORCES SAID DEVELOPING NEW STRATEGY

BK100131 Bangkok BANGKOK POST in English 10 Dec 85 p 3

[Text] The National Sihanoukist Army (ANS) of Prince Norodom Sihanouk will be developing a new military strategy during the upcoming dry season inside Kampuchea.

A high-ranking ANS source said over the weekend that the ANS will be trying to build up a militia in villages of their war-torn country.

Instead of periodically sending in troops for a time, the ANS will try to establish groups of militiamen recruited in the villages.

Apart from this move, the source said, the ANS plans to place rebels among civilians in major towns and cities, and also send in regular armed forces into the interior.

The regular troops will be housed at mobile bases between villages, the source said.

The source said that at present there are about 4,400 ANS fighters inside Kampuchea, mainly in the Kompong Thom and Siem Reap area.

The ANS hopes to have up to 6,000 fighters inside the country by the end of this month, the source added.

By next March the ANS plans to have as many as [figure indistinct] fighters operating within Kampuchea.

"One day we hope to hold a cabinet meeting inside our country," the source added.

Developing militias within villages will mean that troops will not have to turn back "every three to four steps" because of concern over their families, the source added.

The move would be easier logistically, the source said, adding that fighters going inside would only have to bring in money to buy weapons.

The sources said that there have even been instances where the ANS has bought weapons from Heng Samrin troops.

The move will solve the problem of obtaining food and create a resistance consisting of patriots who are "villagers by day, but soldiers at night."

The source said that soon the ANS hopes to establish a real military base in Kampuchea. One general was already sent in at the end of last month to stay for six months.

The source said that there is a need to develop this strategy because the Khmer Rouge are constantly thinking up new tactics to draw support from non-communist villagers.

The Khmer Rouge have been trying to conceal their own identity, telling villagers that there are now only two forces fighting the Ehng Samrin and Vietnamese troops, namely the fighters of the Khmer People's National Liberation Front (KPNLF) under Son Sann and the ANS under Prince Sihanouk.

Speaking about problems within the non-communist resistance, the source admitted that "we remain very weak."

The source said that there is a need for the KPNLF to solve its problems.

The source hopes that the KPNLF can solve their problems quickly as it is important for the non-communists to cooperate with one another.

/9274
CSO: 4200/372

HUYNH TAN PHAT ATTENDS PHNOM PENH RALLY

OW042129 Hanoi VNA in English 1550 GMT 4 Dec 85

[Text] Hanoi, 4 Dec (VNA)--A grand meeting was held in Phnom Penh on 2 December to mark the 7th founding anniversary of the Kampuchean United Front for National Construction and Defence, formerly the Kampuchean National United Front for National Salvation. It was attended by Chea Sim, Hun Sen, Say Phuthang, Chea Soth, Men Sam 01 [spelling of name as received] and other Kampuchean leaders.

Huynh Tan Phat, vice-president of the Vietnamese State Council, chairman of the Vietnam Fatherland Front Central Committee and head of the Vietnamese delegation on a current visit to Kampuchea, was also on the meeting presidium.

Addressing the meeting, Chea Sim said that the Kampuchean United Front for National Construction and Defence has played an important role in rallying the Kampuchean people of different walks of life and nati-nalities around the People's Revolutionary Party of Kampuchea to overthrow the genocidal Pol Pot regime, and win great achievements over the past 7 years.

Chairman Chea Sim strongly condemned the Chinese expansionists in collusion with other international reactionary forces, especially the ultrarightists in the Thai ruling circles, for their backing the reactionary remnants against Kampuchea's rebirth and national construction and the Indochinese revolution as a whole. He reaffirmed the iron-like determination of Kampuchean people to join the two other peoples in Indochina in striving to make Southeast Asia a zone of peace, stability and cooperation.

Vice-President Huynh Tan Phat of Vietnam also spoke at the meeting.

/9604
CSO: 4200/375

PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

DELEGATION OF BULGARIAN LECTURERS--Phnom Penh, 6 Dec (SPK)--A delegation of Bulgarian lecturers arrived in Phnom Penh Thursday [5 December] for an official friendship visit to Kampuchea. The delegation led by Gencho Arabadzhiev of the Bulgarian Communist Party Central Committee was greeted at Pochentong Airport by Nim Thot, vice president of the Commission for Propaganda and Education of the PRPK Central Committee and other officials. Lyuden V. Damyanov, Bulgarian ambassador to Kampuchea was also present. [Text] [Phnom Penh SPK in English 1125 GMT 6 Dec 85] /9604

GDR'S SED DELEGATION ARRIVES--Phnom Penh, 6 Dec (SPK)--A delegation of lecturers of the Socialist Unity Party of Germany Central Committee (SED) led by Jochen Hampal, arrived in Phnom Penh Thursday [5 December] for an official friendship visit to Kampuchea. The delegation was warmly welcomed by Kep Chhutdema, head of the Propaganda Department of the Commission for Propaganda and Education of the People's Revolutionary Party of Kampuchea Central Committee, and other officials. [Text] [Phnom Penh SPK in English 1119 GMT 6 Dec 85] /9604

CHEA SIM ADDRESSES GRADUATES--Phnom Penh, 7 Dec (SPK)--Fifty-three students of the College of Medicine and Pharmacy in Phnom Penh were graduated Wednesday. The graduation ceremony was held in the presence of Chea Sim, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee and chairman of both the National Assembly and the National Council of the United Front for Construction and defence of the Kampuchean Fatherland. Chairman Chea Sim, after warmly hailing the considerable development in health care, spoke of the progress made by the college and attributed the success to the efforts of the whole teaching staff. He commanded the graduates to work heart and mind for the people of the revolution. Since its re-opening on January [date indistinct], the college has trained a total of [words indistinct], 26 dentists, and [words indistinct] assistant doctors and nurses. [Text] [Phnom Penh SPK in English 1448 GMT 7 Dec 85] /9604

MISLED PEOPLE RETURN--Phnom Penh, 6 Dec (SPK)--One hundred and fifty-two people misled by enemy propaganda reported themselves to the revolutionary authorities in Kompong Speu, 50 km west of Phnom Penh, in the first 11 months of this year. The returnees, including 11 women, brought along 11 rocket-propelled grenades and 68 other assorted guns. They all told of the hardship they had suffered while in association with the bandits--the lack of food and medicines and the permanent fear of death. While denouncing the enemy's perfidious moves against the Kampuchean people and reveling constant frictions among the reactionary groups, they highly praised the government's six-point clemency policy. The provincial revolutionary administration have granted them full citizenship and assisted them in embarking on a new life. [Text] [Phnom Penh SPK in English 0811 GMT 6 Dec 85] /9604

THAI VIOLATIONS OF AIRSPACE--Phnom Penh, 4 Dec (SPK)--From the 26th to the 30th of November, Thai aircraft of the L-19 and A-37 types repeatedly intruded into Kampuchea's airspace to spy on many areas in the border provinces of Siem Reap-Oddar Meanchey, Preah Vihear and Battambang. The most serious case was an A-37 reconnaissance flight, between 15:40 and 15:55 (local time), 30 Nov, from Anlung Yeng to the mountains in north-northeastern Siem Reap, 90 kilometers inside Kampuchea. In the same period, Thai artillery lobbed hundreds of shells on Road 56, northeastern Pailin and western Phnum Malai. [Text] [Phnom Penh SPK in English 1124 GMT 4 Dec 85] /9604

CUBAN AMBASSADOR RECEIVED--Phnom Penh, 7 Dec (SPK)--Chea Sim, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee and chairman of both the National Assembly and the National Council of the United Front for Construction and Defence of the Kampuchean Fatherland, received in Phnom Penh Friday Vinito Mora Diaz, Cuban ambassador to Kampuchea. On that occasion, Chea Sim hailed the struggle of the peoples of Cuba, Nicaragua and El Salvador and considered Cuba as a strong bastion of socialism in Latin America. He also expressed his belief that the fraternal relations between Kampuchea and Cuba would be further developed. For his part the Cuban ambassador reaffirmed his government's support to the struggle of the Kampuchean revolution and expressed his satisfaction at the development of the friendship and solidarity between the two parties, governments and peoples. [Text] [Phnom Penh SPK in English 1456 GMT 7 Dec 85] /9604

BULGARIAN LECTURERS LEAVE--Phnom Penh, 9 Dec (SPK)--A delegation of Bulgarian lecturers left here this morning ending its 5-day visit to Kampuchea. The delegation led by Gencho Arabadzhiev of the Bulgarian Communist Party Central Committee, was seen off at Pochentong Airport by Nim Thot, vice president of the Commission for Propaganda and Education of the People's Revolutionary Party of Kampuchea Central Committee and other officials. Lyuden V. Damianov, Bulgarian ambassador to Kampuchea was present at the farewell ceremony. During its stay, the delegation was received by Men Sam An, Politburo member, and president of both the Commission for Organization and the Commission for Propaganda and Education, of the party Central Committee. The delegation gave a lecture at the teacher school, and visited the Tuol Sleng museum of genocide, the national museum, the former royal palace and the shopping center in Phnom Penh. [Text] [Phnom Penh SPK in English 1115 GMT 9 Dec 85] /9604

LAO TRADE UNION GREETED--Phnom Penh, 6 Dec (SPK)--Mat Ly, president of the Kampuchea Federation of Trade Unions, has extended his warmest greetings to his Lao counterpart, Thith Soy Sambatduong, on Laos's 10th National Day (2 Dec). Mat Ly said in his message: "We highly value the tremendous achievement scored by the heroic Lao people in the national construction and defence, particularly in fulfilling the tasks set forth by the third congress of the Lao People's Revolutionary Party and the first congress of the Lao Federation of Trade Unions." He expressed firm conviction that under the clear-sighted leadership of the LPRP, the heroic Laos's labouring people would achieve greater successes in all fields, especially in foiling all hostile moves of the multiform expansionists and imperialists aimed at undermining their revolutionary gains. He wished the ties of militant solidarity, friendship and cooperation between the two countries' organizations and labouring peoples be further consolidated and developed. On the same occasion, many meetings of the mass organizations have been organized in many provinces of Kampuchea to welcome the Lao National Day. [Text] [Phnom Penh SPK in English 1121 GMT 6 Dec 85] /9604

POLISH OFFICIAL GREETED--Phnom Penh, 3 Dec (SPK)--Bou Thang, minister of national defense of the PRK, sent warm greetings to Florian Siwicki on his appointment to the post of national defense minister of the Polish People's Republic. In his message, Bou Thang expressed his belief that under the leadership of F. Siwicki and in concert with the armies of other Warsaw Pact member-countries with the USSR as the solid bastion, the Polish Army will firmly preserve peace and stability in Europe and the world. Bou Thang wished Florian Siwichi good health and more and greater successes in the accomplishment of his noble task. [Text] [Phnom Penh SPK in French 0442 GMT 3 Dec 85] /8309

NEW LAO AMBASSADOR--Phnom Penh, 7 Dec (SPK)--Chea Sim, Poli Bureau member of the KPRP Central Committee, chairman of the National Assembly, and chairman of the KUFNCD National Council, received yesterday in Phnom Penh Phely Khounlalek, LPDR ambassador extraordinary and plenipotentiary, who came to pay him a courtesy call. The Lao diplomat conveyed to Chairman Chea Sim greetings from Kaysone Phomvihan, general secretary of the LPRP Central Committee and chairman of the Council of Ministers, and Souphanouvong, member of the Political Bureau of the LPRP Central Committee, president of the LPDR, and chairman of the LPDR People's Supreme Assembly. For his part, Chairman Chea Sim warmly praised the Lao people's great achievements registered in the past 10 years in their nation building and national defense. Also, he pointed out the fine development of friendly relations, solidarity, and cooperation between the parties, governments, and peoples of Cambodia and Laos, as well as among the three fraternal Indochinese countries. [Text] [Phnom Penh SPK in French 1514 GMT 7 Dec 85] /8309

ABKHAZIAN SOVIET DELEGATION--Phnom Penh, 10 Dec (SPK)--A delegation of the Soviet-Cambodian Friendship Association of the Abkhazian Autonomous Socialist Soviet Republic (AASSR) arrived in Phnom Penh yesterday for a goodwill visit to Cambodia. The delegation made up also of a dance troupe was led by Vyacheslav Tsugba, first vice chairman of the AASSR Council of Ministers and vice chairman of the Soviet-Cambodian Friendship Association chapter in the AASSR. It was greeted on its arrival by Pen Navut, alternate member of the KPRP Central Committee, minister of education, and vice chairman of the Cambodia-USSR Friendship Association, and other personalities. First secretary of the USSR Embassy to Cambodia, N. Tursunov, was also on hand. [Text] [Phnom Penh SPK in French 0407 GMT 10 Dec 85] /8309

CSO: 4219/16

PUBLIC SECURITY AT WORK

Hanoi HANOI MOI in Vietnamese 24 Sep 85 p 4

[Article: "Punishment Is Unavoidable"]

[Text] Not long ago, in the areas of Dong Anh, Me Linh districts, especially along national route 22 to T.. Bridge, there occurred some cases of villains who, taking advantage of the darkness and impersonating public security officers, asked for motocycle rides or stopped people for identification papers and then demanded their motocycles at gun point.

Through meeting with the victims and the local people, the public security task force found some leads to the villains' modus operandi, as well as their identifications. A dragnet was instituted. And one dark night, in their nightly fashion, two villains named Nguyen Xuan Du (from Dong Nai city) and Nguyen Van Nghia (from Minh Tan, Vinh Lav, Vinh Phu villages) fell into an ambush laid by the people, soldiers, and public security while they were playing the same devious game on a motocyclist. When arrested, Nghia had a police uniform and a hand gun. Both had had previous criminal records. One of the two had just escaped from prison. They admitted impersonating public security officers and having stopped and stolen 5 motocycles in this area. They then sold the motocycles to have spending money.

Concerning this incident, "The Builder" would like to draw the authorities' attention to the following:

-Du and Nghia were unable to avoid the people's punishment. They both committed one of a number of felonies cleared listed in the criminal code and in Joint Circular No 1 of the Ministries of Interior and National Defense.

-Du took refuge in a home on Hang Buom Street for a pretty long time, but investigations and reports of temporary residence and control of the situation in this area weren't effectively achieved.

-It is obvious that in the area where those crimes were committed, and in other localities in general, there are many shortcomings in population control that must be quickly improved.

13091/13167
CSO: 4204/30

MILITARY AFFAIRS AND PUBLIC SECURITY

VPA REAR SERVICES SET FORTH 1986 TASKS, TARGETS

BK181008 Hanoi Domestic Service in Vietnamese 1400 GMT 16 Dec 85

/Text/ On 9 and 12 December the Rear Services General Department held an all-army rear services conference to review rear services work in 1985 and to discuss measures to carry out planned rear services work for 1986.

The conference evaluated various aspects of rear services work in light of the current socioeconomic situation of the country and of the need to satisfy the armed forces' combat requirements and to implement the resolution of the eighth party Central Committee plenum. The conference stressed the activity and initiative of all command echelons and all units of the rear services in coordinating with other sectors concerned to ensure logistic support and satisfy the demands of armed forces units, thereby enabling them to fulfill their combat duties, to stand combat ready, to build up their strength, and to engage in productive labor.

The conference devoted much time to discussing and pointing out remaining shortcomings and the causes of strong points and weaknesses and working out measures to overcome them, especially in the domains of ensuring combat readiness, the rear services personnel's livelihood, and the management of rear services material bases.

The conference set forth major targets that the rear services must fulfill in 1986. Next year, along with satisfactorily organizing the reception of logistic supplies provided by the state, the rear services must coordinate production with processing activities to guarantee the stability of the armed forces' living conditions. In particular, the rear services must concentrate efforts on ensuring logistic support for frontline units while enhancing the management of the rear services' material and technical bases, strictly practice economization, and actively contribute to heightening the combat readiness of troops and firmly maintaining and improving their fighting strength. The rear services must also contribute to the successful fulfillment of the entire armed forces' combat, construction, training, production, and economic building duties in 1986.

/12228
CSO: 4209/178

PRICE ABUSES DESERVE PUNISHMENT

Hanoi HANOI MOI in Vietnamese 22 Sep 85 p 4

[Readers' Forum: "There Are Still Arbitrary Price Hikes"]

[Text] During the two days of 15 and 16 September, the tension concerning market prices in some big markets was lessoning due to the service rendered by marketing management teams, public security and the people making rounds and handling many cases of retailers and state stores who illegally increased their prices, forcing them to restore old prices. This received the warm support of most of our readers. Unfortunately, the inspection task force became a little lax and was not regularly conducted and the cooperatives and the state-controlled trade sectors felt free to quietly increase prices, imposing on the buyers, creating quite a bit of difficulty in the lives of the people, cadres, workers, and civil servants. The following is an example:

At 6 am on 18 September, Ms. Nguyen Ngoc Dan, residing at 112 Quan Thanh Street, went to buy meat at the meat counter of the Truc Bach subward marketing co-op (in Chau Long market). She saw the prices as posted:

Pork ribs or pig feet	24.2 dong (new)	per kg
Pork shoulder	47 dong	per kg

(compared to old prices, this was an increase of about two new dong). However, when she asked for a pig foot, the woman meatcutter charged her 25 dong per kg. This was also true in the price for pork ribs (which meant about one dong more than the prices posted).

No sooner had the buyer objected then the meatcutter unhesitatingly chopped off two pig feet to sell to a soldier with the price of 20 dong/kg and threw them in a corner underneath the counter, saying those would be returned to the source.

The fact that the meat counter of Truc Bach subward marketing co-op unilaterally increased prices and had a contemptuous attitude toward the customer upset those present that day. We hope the authorities in Truc Bach subward will apply strict measure over this abuse.

In recent days, since the merchandise provided by the state controlled trade sector hasn't met consumption needs of cadres, workers, and civil servants.

the price of vegetables, fruit and groceries has been considerably raised by retailers. Some suppliers have also taken advantage of the food scarcity to deliver their merchandise to profiteers. At 7:30 am on 15 September a three-wheel pedicab loaded with soybean cakes (tofu) owned by a state store arrived at Hoe Nhai market. Buyers were lined up to be able to buy 4 or 5 cakes each at 1 dong (new) per cake. Just a few people could buy the stuff, but four or five meat retailers at Hoe Nhai market were able to buy up to 50 or 60 bean cakes each. When the state store tofu was sold out, these profiteers immediately sold theirs at 1.5 or 2 dong each.

We suggest that the subward authorities and the market management teams regularly make their rounds and inflict severe punishment on those negative practices in order to protect the people's lives and rights.

Recently, the bicycle watching service has also raised their charge from one to four or five dong (old) per bike. The services in front of the Vietnam-Soviet Friendship Hospital, the Post Office in Hanoi, the service in front of the Department Store are some specific examples.

In one instance, I had to pay 10 dong to have my bike watched in front of the Giang Vo Exhibition Building. On the afternoon of 19 September, the bike watching quarters around the Hanoi stadium charged 5 dong per bike (old). When questioned about the arbitrary fee hike, the bike watchman answered, "It's the same everywhere. You don't have to leave your bike here for us to watch if you don't want to."

It is suggested that the subward authorities and the service corporations inspect and strictly control the above-mentioned "arbitrary fee hike" to keep the bike watchman from imposing upon their clients.

13091/13167
CSO: 4209/80

INTERNATIONAL RELATIONS, TRADE, AND AID

BRIEFS

VISIT OF RADIO-TELEVISION DELEGATION--A delegation of international radio and television organizations in the Asia-Pacific region recently visited our country at the invitation of the Vietnam Radio and Television Commission. The delegation included Mr Abdullah Mohammad, president of the Executive Council of the Asia-Pacific Institute of Broadcasting Development, president of the Asia-Pacific Broadcasting Union, and general director of Radio-Television Malaysia; and Mr Bala Krisnan, director of the Asia-Pacific Institute of Broadcasting Development. During its stay, the delegation had working sessions with leading officials of the Vietnam Radio and Television Commission on continued assistance to the Vietnamese radio and television service in personnel training and on opening short-term courses for television program anchormen, editors, reporters, and engineers. Over the past 6 years, the Asia-Pacific Institute of Broadcasting Development has helped Vietnam hold 15 training courses inside the country and has trained 324 Vietnamese cadres. While here, the delegation was cordially received by Minister Vo Dong Giang and Comrade Tran Lam, director of the Vietnam Radio and Television Commission. The delegation also visited various radio and television stations and attended the recent closing ceremony in Ho Chi Minh City of the course for television program anchormen, which had been jointly organized by the Asia-Pacific Institute of Broadcasting Development and the host commission. /Text/ /Hanoi Domestic Service in Vietnamese 1430 GMT 17 Dec 85 BK/ 12228

CSO: 4209/178

PARTY ACTIVITIES AND GOVERNMENT

TEXT OF DECISION ON EXPORT-IMPORT MADE PUBLIC

Hanoi TAP SAN CONG NGHIEP NHE in Vietnamese Aug 85 pp 9-13, 28

[Text of Decision No 177-HDBT of 15 June 1985 of the Council of Ministers: "Decision About the Policies and Measures To Step up Export and To Strengthen Management of Export-Import"]

[Text] The Council of Ministers,

On the basis of the Law of 4 July 1981 on organizing the Council of Ministers;

In order to implement the resolutions of the 5th and 6th Plenums of the CPV Central Committee, 5th term, and Resolution No 19-NQ-TW of 17 July 1984 of the CPV Central Committee Political Bureau about our country's economic relations with foreign countries and to systematize the policies dealing with the management of export-import to ensure the principles of the state holding monopoly of foreign trade and maintaining a unified management of foreign exchange;

On the basis of the Council of Ministers' resolution adopted at its 5 April 1985 meeting;

By the proposal of the Minister of Foreign Trade,

Decides:

Article 1: The ministries and general departments in charge of management of production (hereafter called ministries for short); the people's committees of provinces, municipalities and special zones subordinate to the central administration (hereafter called provinces for short); the people's committees of districts and equivalent levels (hereafter called districts for short); and production units throughout the country have the obligation to develop production of goods for export, to contribute to expanding export-import activities and to mobilize all potential capabilities of the state, people and central and local administrations to step up the production of goods for export, in accordance with the state's work division and foreign-trade management mechanism, and to satisfy better and better the importing needs of the country as a whole, different sectors, localities and their own units.

Article 2: The ministries, provinces, districts and production units must complete early the drafting of projects aimed at rationally and effectively using land, resources and labor, and on that basis draft long-term and immediate plans for the 1986-1990 period and annual plans for development of the production of goods for export.

The plans for development of the production of goods for export and the export and import plans are a part of the economic development plan of the ministries, provinces, districts and production units and must be submitted for approval along with the economic development plan.

Article 3: The state increases investment (in breadth and in depth) in the production of goods for export and raw materials used to make goods for export.

The plans for making goods for export and the 5-year and annual plans for purchasing goods for export must be expressed in both material resources and monetary value. The State Planning Commission tries to ensure balance for the conditions necessary for the plans for making export goods, such as capital, materials, raw materials, electricity, and so on, and for the purchasing plans (if the goods are made by the collective and individual sectors); at least 50 percent of the foreign currencies or materials resulting from export must be put aside for reproduction and purchase of goods for export. At the same time, sectors, echelons and units must try to fully use their capabilities in addition to the shares of materials contributed by the state to maintain balance.

The state bank is responsible for putting aside domestic capital to grant priority loans for development of the production of goods for export and for guaranteeing any loans that localities and economic organizations may borrow abroad to invest in developing the production of goods for export.

Article 4: The state sets legal norms for the ministries and provinces to make and deliver goods for the central administration to export. They must organize serious fulfillment of the export norms assigned by the state; consideration of reduction takes place only in the case of major unexpected difficulties, such as natural calamities and major breakdowns in production. The methods for drafting plans for making export goods and export plans and assigning work based on legal norms are carried out in full compliance with the current planning procedures (Regulation No 159-HDBT of 8 December 1984).

The State Planning Commission, along with the Ministry of Foreign Trade, presides over a study of actual regulations, which are submitted to the Council of Ministers for promulgation.

Article 5: In addition to fulfilling the state legal norms, the ministries and provinces are encouraged to organize the making of more goods for export.

The shares of export of the ministries and provinces that exceed or remain outside of the legal norms are considered their own export. They can do the exporting by themselves or assign it to others and have the right to use foreign currencies, as article 15 defines. In the case the state asks them to get products for the central administration to export, the ministries and provinces will enjoy the privileges of being entrusted with goods for export.

Article 6: As for the goods for export made by localities or by the economic organizations subordinate to the ministries with foreign-currency capital obtained by themselves or borrowed from the foreign trade bank or from outside, which they are responsible for paying back, these localities or central economic organizations are exempted from:

a. Fulfilling the obligation of delivering goods for export to the state for a period of 3-5 years (depending on various production objectives requiring different investment needs) from the time they have products for export. In the case they are to deliver goods to the state for export due to some special requirement, they are allowed to use all of the foreign currency resulting from the export minus any export expenses incurred in it.

b. Paying the share of foreign currencies entitled by the central administration, or a reduced share in the case they do pay, for a period of 2-3 years in connection with the share of export products resulting from new investment in construction.

Article 7: To assign the necessary materials and goods norms, including grain and the major consumer goods, for production and purchase of export goods to be delivered to the central administration is defined as follows:

1. The organizations that are assigned legal norms in connection with production and delivery of export goods are also assigned materials norms for the production of export goods.

2. As for export goods made in the economic installations under direct ministerial management, the state assigns materials norms to the ministries in charge, which in turn satisfy the needs of these production installations.

3. As for export goods made in the economic installations under direct local management (including state-operated, collective and individual ones) and delivered to the central administration for exporting in accordance with legal plan norms, the state assigns materials and goods norms (including grain, if there is a need) to general corporations or unions of enterprises (through the ministries), which have been given their own shares of the responsibilities for exporting such goods, in proportion to the shares of products the localities have to deliver according to the plan norms, and at the same time notifies provincial people's committees about the assigned norms. The ministries, along with provincial people's committees, assume leadership over the economic organizations they are responsible for in connection with signing contracts about supplying materials, delivering export products and checking and supervising the execution of these contracts.

4. The materials distributed by the state cannot be used to produce export goods for any other purposes.

Article 8: The state carries out the procedures for guaranteeing on a first-priority basis materials, raw materials and other production conditions in favor of the production and purchase of export goods. A list of export products, enterprises specialized in producing goods for export and organizations in charge of purchasing and getting export goods entitled to supplying of materials on a first-priority basis is to be made public once a year by the State Planning Commission.

The materials-supplying organs are responsible for carrying out the procedures for supplying on a first-priority basis materials in the right quantities, specifications, qualities, locations and time, and at the right state-set prices (for the materials placed under unified state price control), to the installations that are to produce goods for export on a priority basis.

Article 9: The goods that do not comply with the quality standards are not allowed to be exported.

The State Science and Technology Commission, in coordination with the Ministry of Foreign Trade and the responsible ministries, reviews and examines the system of quality standards applicable to export goods, first of all the important items that involve large sums of money, and recommends to the Council of Ministers for promulgation quality-control regulations aimed at guaranteeing and improving quality of export goods.

The ministries, provinces and units making export goods are responsible for ensuring production and delivery of export goods in full compliance with the established quality standards and correctly implementing the regulations on controlling quality of export goods.

Article 10: To encourage boosting production and improving quality of export goods prices applicable to purchases of goods for export are readjusted as follows:

Purchase prices are guaranteed to compensate for material and labor expenses in accordance with rational economic and technical norms in order to make products of good quality; profit norms are set 10-20 percent higher compared to products made for domestic consumption.

On the basis of the new profit norms, the differences of quality grades are determined anew to strongly encourage making products for export satisfying the same or higher standards than the international standards.

The State Price Commission, along with the Ministries of Foreign Trade and Finance, must positively set ~~the rules and guide the implementation of this~~ regulation.

Article 11: The export price support fund is to be set up and a system of export-import tax must be adopted.

The Ministry of Finance, along with the Ministry of Foreign Trade, presides over the drafting of actual procedures to be submitted to the Council of Ministers.

Article 12: The State Bank is responsible for fully implementing article 2, chapter IV, of Resolution No 156-HDBT of 30 November 1984 of the Council of Ministers on cash procedures applicable to the installations that make goods for export and applying this regulation to the organizations that purchase export goods.

Article 13: The Ministry of Finance, State Price Commission, State Bank and Ministry of Foreign Trade are responsible for submitting to the Council of Ministers for promulgation new rates of exchange and periodically adjusting them on the basis of price level changes.

Article 14: The procedures for giving rewards in connection with delivery of export goods are as follows:

Reward in Vietnamese currency:

Collective production units (cooperatives, production cooperation teams and production collectives), after totally fulfilling the state plan norms set for production and delivery of export goods, are granted rewards (in Vietnamese currency) equivalent to 4-5 percent of the value of their contracts (excluding the value of the materials supplied by the state for production).

Reward in the use of foreign currencies:

The central and local state-operated units, after fulfilling the state plan norms set for production and delivery of export goods and fully carrying out the contracts on delivering goods to the central administration for exporting, are allowed to use 10 percent of the actually collected foreign currencies minus the amount of foreign currency needed to import materials and raw materials directly for these units to make goods for export. Depending on the market sector in which goods are exported, the right to use foreign currencies as a reward to import goods must also be for the same sector.

The State Planning Commission, Ministries of Foreign Trade and Finance and State Bank are responsible for providing guidance in connection with positively implementing this regulation.

Article 15: As for export products exceeding the legal norms, or remaining outside of the latter or receiving no state-supplied raw materials proportional to these norms, the ministries, provinces and production units are allowed to use 70-90 percent of the collected foreign currencies (based on FOB export prices) when they directly export them or assign others to export them; the remaining portion of foreign currencies (10-30 percent) will be put into the central foreign-currency fund. The Ministry of Foreign Trade is to positively determine the proportions for various kinds of goods.

The provinces of the northern and central highlands and the highland districts of other localities are exempted from giving the shares of foreign currencies to the central administration for 5 years beginning from the time they begin to have products to export. The provinces and districts having many economic and everyday-life difficulties can be granted by decision of the Council of Ministers reduction or exemption of payment of the shares of foreign currencies to the central administration for a fixed period of time depending on the actual conditions of these localities.

If the ministries and provinces do not guarantee fulfillment of the obligation to deliver products for export in accordance with the legal norms or fail to pay the full shares of foreign currencies, the Foreign Trade Bank will be permitted to withdraw from their own foreign-currency accounts and to put it into the foreign-currency fund of the central administration; if these accounts do not have enough, payment must be made in the following year to make it full. If after 2 years the payment still is not enough, they will not be allowed to continue exporting directly and importing things by themselves.

Article 16: If the export-import organizations of the central administration export the goods that are outside of the legal norms, they also will be allowed to use 70-90 percent of the collected foreign currencies (based on FOB export prices) depending on the kinds of goods. The remaining portion of foreign currencies will be put into the central foreign-currency fund.

If the central export-import organizations have borrowed foreign currency from the Foreign Trade Bank or from other countries to make export goods, they can use 70 percent of the collected foreign currencies after having paid principal and interest.

Export-import organizations put the foreign-currency capital that is within their right to use into their own account at the Foreign Trade Bank and can use this capital to achieve the goal of expanding their export-import business.

Article 17: The organizations that collect foreign currencies in their business and service activities can use 10 percent of the collected foreign currencies if they fulfill the foreign currency-collecting norm assigned by the state, and up to 70 percent if the foreign currencies they collect surpass or are outside of the state-assigned norm. Service organizations have the right to use that amount of foreign currencies to import materials and goods in order to develop and expand their business but not to use them for any other purposes.

Article 18: The state sells materials as rewards at wholesale prices, in addition to the materials it supplies in accordance with technical and economic norms for production of export goods. Sectors and localities have the right to use this source of materials to invest in making more goods for export or to satisfy their own need for economic development in general.

The State Planning Commission and Ministry of Foreign Trade determine the actual levels of sales and rewards for various goods in accordance with the needs of different sectors and localities for investing in production development and with the trend of development as encouraged by the state.

The ministry and provincial people's committees, on the basis of the percentages of reward sales of various materials and the needs for investing to make more export goods, decide about distributing some of these materials being sold as rewards among enterprises, corporations or districts and villages supplying goods for export.

Article 19: The State Planning Commission must put aside the necessary foreign-currency fund and materials in its annual plan to carry out articles 3, 13, 14, 15, 16 and 17.

Article 20: In order to save foreign currencies, only capital goods and the essential consumer goods are to be imported; not to be imported are luxury goods, the goods that can be produced in the country and produced in sufficient quantities and the consumer goods that do not conform to state consumption policies.

Article 21: To ensure adhering to the principle of the state holding monopoly of foreign trade and foreign exchange, the following regulation must be observed:

1. All export-import activities of central and local sectors or basic-level units must be placed under the state management of the Ministry of Foreign Trade and ensure full implementation of the state regulations on management of foreign trade, foreign exchange and export-import transportation.

2. Only the following organizations are authorized to conduct export-import business activities:

- The export-import business organizations subordinate to the ministry or provincial people's committees having been established by authorization of the responsible echelons (by regulation of the Council of Ministers) and authorized to directly deal with foreign markets.

- The enterprise unions or large enterprises being authorized by the chairman of the Council of Ministers to conduct direct export-import activities by recommendations of the ministry in charge and Ministry of Foreign Trade.

3. The central and local export-import business organizations must fully implement the state regulations on market management and price control in purchasing goods for export.

To deliberately raise the purchase prices or to use other measures to compete for export goods by the state-operated organizations is strictly prohibited. Efforts by individuals to compete with state-operated organizations in purchasing export goods are also strictly prohibited.

Efforts of export-import business organizations in a province or municipality to organize purchases of export goods in another province or municipality are prohibited, except in the case the local people's committee of the province or municipality concerned has authorized such purchases.

Article 22: The central and local export-import organizations must maintain integration and joint business in order to organize export-import in a unified manner in regard to the important goods and groups of goods.

The Ministry of Foreign Trade submits to the Council of Ministers appropriate forms of integration and joint business for it to decide; organizes the gathering of main sources of certain export and import goods, for the purpose of drawing some experience from it; and on that basis issues lists of export and import goods or groups of export and import goods, for which export-import business needs to be unified on a nationwide basis.

Article 23: This decision takes effect on the day it is signed and replaces the regulation that was issued along with Decree No 40-CP of 7 February 1980 of the Council of Ministers, Decree No 200-CP of 26 May 1981 of the Council of Ministers and Decision No 113-HDBT of 10 July 1982 of the Council of Ministers. All past regulations that are contrary to this decision are now abolished. As to the export-import activities of the marine-products sector, the Council of Ministers will issue a separate regulation.

Article 24: The Minister of Foreign Trade, chairman of the State Planning Commission, chairman of the State Price Commission, chairman of the State Science and Technology Commission, Minister of Finance, director general of the State Bank and heads of the materials-supplying ministries, within the limits of their powers, are responsible for guiding the execution of this decision.

The heads of ministries, chairmen of state commissions, heads of the organs subordinate to the Council of Ministers and chairmen of people's committees of provinces, municipalities and special zones subordinate to the central administration are responsible for executing this decision.

For the Council of Ministers,
For the Chairman,
Signed: To Huu, deputy chairman

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CSO: 4209/127

PARTY ACTIVITIES AND GOVERNMENT

DO MUOI ADDRESSES BAI BANG PAPER MILL MEETING

BK180838 Hanoi Domestic Service in Vietnamese 2300 GMT 16 Dec 85

/Text/ At the Bai Bang paper mill, Do Muoi, vice chairman of the Council of Ministers, on behalf of the council, recently held a meeting with the leaders of the ministries of forestry and light industry and the chairman of the Vinh Phu provincial People's Committee to discuss measures aimed at ensuring a steady supply of raw materials for the paper mill.

In 1986, the Bai Bang paper mill received from the state only about 60 percent of the principal supplies it needed. However, owing to its efforts to promote economic integration with various localities, to establish good relations with raw materials production units, to renovate its managerial mechanism, and to make more efficient use of equipment, as of early December the mill had fulfilled more than 90 percent of its paper and pulp production plan. The mill has made substantial progress in management, especially production management, markedly reducing the consumption of raw materials for the production of a product unit as compared to the previous year.

The mill has worked out a /word indistinct/ for producing 26,000-30,000 metric tons of paper in 1988. At present, the important problem is to concentrate efforts on ensuring sufficient raw materials for the mill, especially in subsequent years. Concerning the direction of resolving the raw materials problem, the state entrusted the primary responsibility to Vinh Phu, Ha Tuyen, and Hoang Lien Son Provinces and the ministries of forestry and light industry.

Along with satisfactorily resolving the raw materials problem, it is necessary to do a good job of managing the mill. Fully implementing the resolution of the eighth party Central Committee plenum, in the immediate future the mill must quickly renovate economic management and strive to achieve the designed output at an early date and to shorten the depreciation period. On the basis of clearly defining the functions of each organization, each person, and each position, everyone must show initiative and a full sense of collective mastery during one's 8-hour work shift so as to increase labor productivity, contribute to economic development, stabilize living conditions, and lower production costs.

Concluding the conference, Comrade Do Muoi stressed: The people of Vinh Phu, Hoang Lien Son, and Ha Tuyen Provinces must consider ensuring raw materials for the Bai Bang paper mill as a political task that has to be organized, guided, and carried out in keeping with the slogan "urgent, active, and steady." The Ministry of Forestry, along with planning raw materials production areas and providing technical guidance and advice in the growing of raw materials plants, should join the Ministry of Light Industry and the Bai Bang paper mill in studying the organization of an industrial-forestry complex to link raw materials provision with production in a suitable for an organization, thereby protecting the interests of both the mill and raw materials plants growers. The mill's party organization must gear its political, ideological, and organizational work to achieving the objective of producing increasing amounts of paper of good quality.

Comrade Do Muoi availed himself of the occasion to call on and thank the Swedish experts who have wholeheartedly assisted Vietnam in building and managing the Bai Bang paper mill.

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NHAN DAN EDITORIAL ON CONSTITUTION IMPLEMENTATION

BK180505 Hanoi Domestic Service in Vietnamese 2300 GMT 17 Dec 85

/Eighteen December NHAN DAN editorial: "Live and Work in Accordance with the Constitution and the Law"/

/Text/ The new SRV Constitution was promulgated 5 years ago today, with its adoption by the National Assembly on 18 December 1980. A basic law of the state, the SRV Constitution systematizes the major positions and policies of the CPV in the new revolutionary stage and lays a (?general) foundation for our state in which emphasis is placed on the citizen's rights and obligations based on the system of the party leads, the state manages, and the people are masters in order to fulfill the two strategic tasks of triumphantly building socialism and firmly defending the socialist fatherland, and to fulfill international obligations.

The working people exercise their right to collective mastery through the state law and under the CPV's leadership. Our state is a dictatorship of the proletarian. It manages all aspects of the social life by using the state law. Strengthening the socialist law is necessary for carrying out state management tasks and implementing the positions, policies, and tasks set forth by the party. In this system of government, if we want to disseminate state positions and policies among the people and turn them into the people's willpower and revolutionary action on a large scale, we must carry out this task through the state and under state law. The law system is the most efficient apparatus for the state to mobilize the masses to act uniformly and in discipline and order.

To strengthen social management according to the law, our state has concretized the constitution by promulgating various important laws and gradually establishing law on the organization of state mechanism and on implementation of socioeconomic, security, and national defense tasks. It has also issued a number of other law documents.

At its June 1985 session, the Seventh SRV National Assembly officially adopted the criminal code. This is new progress in strengthening the system of socialist law.

Generally speaking, the implementation of the constitution has scored notable results. However, some stipulations of the constitution still have not really entered life /vaanx chuwa thuwcj swj dqi vaof cuoocj soongs/, thus violations of the law are prevalent, and some cases are serious. The working people's right to collective mastery has not been really implemented and vigorously developed. This is because the implementation of the task has not been concretized by state law and regulations and it has not been seriously carried out by state organs, party organizations, and mass organizations.

The law on management, especially economic management, has not been completed and promptly strengthened in the process of shifting into the socialist business and accounting system. Party General Secretary Le Duan said: Living in accordance with the law and working according to the law is a common requirement for all people, an obligation, and a foremost task for state cadres and personnel.

It is imperative to enforce the law in the people's life in order to improve the effectiveness of state management and ensure the working people's right to collective mastery. In reality, there are intentional violations of the law, but in many cases they are committed due to incomprehension of the law by the violators--some of them cadres, personnel, and state organizations. As a result, we must continue to comprehensively disseminate the constitution to enable all people to realize profoundly the role and effect of the law in socioeconomic management.

Our state must fully exercise both its political and economic powers to firmly maintain social discipline and overcome without fail the abnormal situation where many law already promulgated are not scrupulously implemented or even implemented at all.

Introducing the law into life is a process of bitter and complex struggle calling for the application of uniform measures and the combining of persuasion and education with coercion and organizational and economic measures with ideological, cultural, and social measures. A matter of paramount importance is that we must educate and motivate not only the popular masses but cadres, party members, workers, and civil servants as well to adopt correct attitudes and actions and to live and work in accordance with the constitution and the law.

All acts of lawbreaking must be promptly exposed and strictly and justly dealt with. At the same time, measures should be adopted to prevent crime. At present, not every locality can do this and do it well. Aside from the collective mastery system, which has been institutionalized by law, the consideration and settlement of petitions and denunciations made by citizens also constitute an important condition for introducing the law into life.

Intensifying the supervision and control of the implementation of the constitution and laws in a regular fashion and strictly and justly dealing with acts of lawbreaking will have the effect of breeding confidence in the popular masses who live according to and respect the law. The important thing is that we should adopt a firm attitude and resolute measures to prevent and eliminate acts of violating the people's right to collective mastery; severely suppress counterrevolutionaries; punish exploiters who refuse to undergo transformation, crooks, hoodlums, speculators, smugglers, and corrupt people; and strictly and justly penalize state cadres and officials who take advantage of their positions and power to commit illegal actions.

The public security, control, and tribunal organs play the key role in carrying this task. At the same time, the mass organizations, the responsible services of various party and administrative committee echelons, and public opinion also have an extremely important role. Only by intensifying the activities of responsible state organs can we initiate a mass movement and protect the masses and promptly foil criminals' counterattacks and acts of revenge.

Envoying their mastery, the working people will constitute a powerful force joining the state organs in the struggle against crimes and for the protection of the constitution. Introducing the law into life would mean that the various party policies and resolutions institutionalized by law are strictly and justly implemented. These are effective measures aimed at satisfactorily implementing the resolution of the Fifth Party Congress and those issued by the sixth, seventh, and eighth party Central Committee plenums.

Chairman Truong Chinh once said: The leading role and responsibility of party organizations, especially the party committee echelons, are of decisive significance to the implementation of the constitution and the law. Each cadre and party member must be an exemplary citizen in implementing the constitution and the law. If a party member who has a position and power flouts or infringes the constitution and the law, he must be dealt with even more resolutely.

By so doing we will create conditions for introducing the law into life.

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BRIEFS

YOUTH UNION WORK--Through the issuance of Ho Chi Minh Communist Youth Union /HCMCYU/ membership cards, various union bases in Dac Lac Province have paid attention to improving the quality of HCMCYU organizations and have participated in party building work. Many youth union bases in Dac Min and Krong Pac districts, of the Mechanized Land Reclamation Corp. No 4, the Forestry Building Corp. No 2, the local public security forces, and the Central Highlands College have maintained regular activities in diversified and lively forms and with practical contents, thereby attracting the participation of a large number of youth union members. Some HCMCYU bases have overcome difficulties and sluggishness caused by a lack of cadres or by weak cadres and have strengthened their contingent of HCMCYU cadres. Strong and firm union bases such as (Kuk Ti), Krong Bong, Phu Xuan, Krong Buc, E Sup, Tan Lap, Buon Me Thuot, the Merchandise Transportation Corp., the Phuoc An state farm, and State Farm No 720 have motivated youths to develop production, apply advanced science and technology, carry out technical innovations, practice thrift, overcome difficulties, and build youth activity projects. Various HCMCYU bases have admitted 18,000 new members, assisted and educated thousands of weak members, and expelled more than 1,600 unqualified members. These bases have also recommended more than 4,000 outstanding youth union members for CPV membership, more than 1,600 of whom have been admitted into the party. /Text/ /Hanoi Domestic Service in Vietnamese 0500 GMT 18 Dec 85 BK/ 12228

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AGRICULTURE

PHOSPHORITE DISCOVERIES BOOST PROSPECTS FOR FERTILIZER PRODUCTION

Hanoi QUAN DOI NHAN DAN in Vietnamese 20 Oct 85 p 2

[Article by Pham Huy Tieu: "Phosphorite, a Source of Mineral Fertilizer for Farm Fields"]

[Text] The latest discoveries made by our country's geological projects sector answer an extremely important question: does our country have enough phosphorite, a source of raw material, to produce mineral fertilizer for farm fields?

Although ours is a country in which agriculture is the front of foremost importance and hundreds of thousands of tons of mineral fertilizer are needed each year, the Lam Thao Superphosphate Plant and the Van Dien Phosphate Plant only supply enough phosphate fertilizer to meet about 40 percent of the need for fertilizer for fields. Thus, could sources of raw materials be found to produce similar types of fertilizer?

To answer these questions, Vietnamese geologists launched various explorations, explorations that proved to be exceedingly difficult, as difficult as looking for a needle in a haystack. In areas deep within rugged mountainous terrain, in dense jungle areas, in swamps... geologists set up dozens of drilling rigs to bore deep into the ground. Beneath thick layers of rock and between different geologic strata, they found at each site minerals that could be used to make mineral fertilizer. But were the reserves of these minerals large or small? What would the quality of the fertilizer be? Ascertaining the answers to these questions proved to be quite difficult. Following an arduous process of exploration that lasted for several years, one geological projects groups after another began reporting the good news that phosphorite had been discovered. Gradually, the scope of the enormous potential of this new type of raw material for the production of mineral fertilizer has become clear. Today, it can be confirmed that the sources of phosphorite in the North are rather large.

In addition to the phosphorite vein in the Da River, there are two other large veins of phosphorite of industrial value in Nhu Xuan and Do Luong in Nghe Tinh Province and in Son La-Ha Nam Ninh-Thanh Hoa Provinces. The Nhu Xuan-Do Luong phosphorite vein lies in an arc below sedimentary rock of the A-ni-fi [Vietnamese phonetics] epic. The concentration of phosphorite is highest in the strata of silica limestone and dolomite limestone. In association with the rock strata that contain high concentrations of phosphorite, secondary phosphorite deposits of high industrial value have also been discovered at Len Sot in Do Luong District, Len Boi in Yen Thanh District, Len Gioi in Nghi Loc District and Len Bac, Len Chai and Hang Chua in Quynh Luu District. The reserves at each site range from 100,000 to 300,000 tons with a phosphorite content of 10 percent or more. Forecasts have placed the total reserves in the Nhu Xuan-Do Luong phosphorite vein at tens of millions of tons. The quality of the fertilizer produced from this type of ore will be no less than the quality of Lam Thao superphosphate and Van Dien phosphate fertilizer. The Son La-Ha Nam Ninh-Thanh Hoa phosphorite vein runs from the northwest to the southeast from the Sino-Viet border to the South China Sea. This vein lies in the rock that forms the basin of the Da River. The phosphorite content here is rather high, from 8 to 33 percent in Son La, from 11.54 to 23.07 percent at Mai Chau and from 5.38 to 29 percent at Lac Son. Reserves range from 120,000 to 150,000 tons at many sites. Total reserves are in the tens of millions of tons. Ha Son Binh has as many as 3 million tons in reserves.

By using the same methods of exploration employed by the geological projects sector, localities throughout the country have developed numerous sites at which phosphorite is being mined to produce mineral fertilizer for agriculture. Nghe Tinh Province has been mining from 5,000 to 8,000 tons per year, Thanh Hoa Province 6,000 tons per year, Ha Son Binh Province 1,000 tons per year, Cao Bang Province 2,500 tons per year and so forth. In 1984, the country mined and used 25,000 tons of phosphorite fertilizer. This fertilizer has clearly been shown to be effective. On the average, 1 kilogram of this fertilizer applied as a side dressing produces an additional .5 to .7 kilogram of rice and .6 to .8 kilogram of peanuts.

Exploration for phosphorite, an important source of raw materials in the production of mineral fertilizers, is being continued in order to support agriculture.

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FLOOD DAMAGE TO CROPS INCREASES IMPORTANCE OF WINTER SEASON

Hanoi QUAN DOI NHAN DAN in Vietnamese 18 Oct 85 p 3

[Article by Viet An: "Stepping Up the Production of Winter Vegetables and Subsidiary Food Crops: Winter Crops--the Hope for Grain Production in 1985"]

[Text] The winter crop production season came into being as a result of the replacement of 5th month rice with spring rice in the North in the mid and late 1960's. With the introduction of the winter crop production season, the monoculture of two rice crops per year became a system of three crops per year (spring rice, 10th month rice and winter vegetables and subsidiary food crops), thereby helping to increase the sources of grain and food products to meet production needs, the needs of everyday life and export requirements. In recent years, despite changes in the amount of area under cultivation and crop output, a significant quantity of grain and food products has always been produced during the winter season. This year, our winter-spring and 10th month crops have constantly been affected by natural disasters: prolonged cold weather, drought and pest infestations during the winter-spring rice season and drought followed by waterlogging during the 10th month rice season. The heavy rains that fell from 7 to 13 September, as a result of the influence of typhoon number 4 and the tropical depression, caused flooding in a number of large areas in Bac Bo. At the peak of the flooding, some 390,000 hectares of 10th month rice in this region were underwater, more than 170,000 hectares of which were a complete loss. As a result of having taken positive steps to prevent and control flooding, the various levels, sectors and localities significantly reduced the impact of the natural disaster but the damage to production and the standard of living was still serious. The amount of area put under the cultivation of 10th month rice fell short of the plan by tens of thousands of hectares and, in addition, hundreds of thousands of hectares were completely lost and the yield and output on hundreds of thousands of other hectares were affected. Meanwhile, although the output of winter-spring rice was the highest ever, it still fell short of the plan and did not compensate for the 10th month crop, consequently, grain production during the two main rice seasons in the North (the 5th month-spring and 10th month seasons) fell short by a wide margin. Therefore, caring for 10th month rice and subsidiary food crops well while taking urgent steps to develop winter crop production are matters of very important significance. This is the only way that we can compensate for some of the grain that has been lost and endeavor to achieve the highest yearly grain output ever.

Due to fluctuations in the amount of area under cultivation, yield and output of the various winter crops, especially the steady decline in winter crop production during the past several years, there are still differing opinions concerning the winter crop season. Recent research on the temperature, humidity, total solar energy available...shows: during the period that lasts from roughly the end of September to March of the following year, there are very large potentials for planting, cultivating and harvesting many different types of vegetables, subsidiary food crops and grain crops, such as sweet potatoes, soybeans, watermelons, western potatoes, beans, vegetables of all kinds... We have a rather plentiful assortment of winter crops. We see from this that the fluctuations in winter crop production in recent years have not only been due to scientific and technical factors, but have also been related to the factors of organization, guidance, investments, policies and so forth within the various socio-economic fields. This has been proven by the uneven development of winter crop production among the cooperatives of the same district, among the districts of the same province and among the different types of crops raised during a production season. During this year's winter season, which is beginning against the background of major difficulties resulting from natural disasters, it is even more necessary that we achieve a combined strength, make well coordinated use of economic and technical measures and provide close guidance together with launching a widespread mass movement to make full use of every existing capability that exists for planting vegetables, subsidiary food crops and grain crops.

The timing of the season is an extremely important factor in winter crop production. These crops can only flower and safely set bud and their yield and quality can only be insured when they are planted at the right time. The planting of winter vegetables and subsidiary food crops must be carried out on a very tight schedule every year (while harvesting early 10th month rice, cultivating the main 10th month rice crop and completing other jobs). This year, with widespread waterlogging having occurred later than in many previous years, even more urgent efforts must be made to plant crops on schedule. The localities that have areas that were waterlogged have taken positive steps to drain the water, quickly prepare their fields and widely apply the experience that has been gained in planting crops in wet ground. At the same time, they have started crops in greenhouses in order to maintain the seasonal schedule. For example, there is greenhouse corn in Vinh Phu, greenhouse soybeans in Ha Bac, greenhouse watermelons and tomatoes in Hai Hung, greenhouse sweet potatoes in Thai Binh...

This year, there is a very large need for winter crop seed, especially cuttings of western potatoes, which are a crop that is well suited to the winter season, can be raised throughout the lowlands, midlands and mountains and has a long growing season. However, the quantity of western potato cuttings on hand is only enough to plant two-thirds of the area planned. The practice of planting sprouts cut from the supply of potato cuttings currently on hand, which increases the amount of area planted two to four times, is now being applied at a number of places. Together with making full use of each existing source of cuttings, the Central Seed Corporation and the localities that suffered little or no flood damage have been and are doing everything possible to help those localities that are encountering difficulties obtain the necessary supply of seed.

In the spirit of being determined to overcome the difficulties now faced and assisting one another, the localities of the North have been and are stepping up their planting of winter vegetables and subsidiary food crops. To date, hundreds of thousands of hectares of winter vegetables, subsidiary food crops and grain crops have been planted. In the various localities, the targets that have been set for this winter season demand a very high effort. Vinh Phu Province is attempting to meet a target of 12,000 to 15,000 hectares under cultivation (including 11,000 hectares of subsidiary food crops and grain). Ha Bac Province is endeavoring to produce 58,000 tons of subsidiary food crops and grain, an increase of 26,000 tons over last year's winter season. Ha Nam Ninh Province, where the destruction was the heaviest, is determined to produce more than 150,000 tons of subsidiary food crops during the winter and winter-spring seasons. To insure that the winter season is a success, in addition to the general policies of the state on procurements and the sale of supplies in keeping with the spirit of the resolution of the 8th Plenum, localities and basic production units in Ha Bac, Ha Son Binh and other provinces have, on the basis of their actual situation and specific conditions, enacted winter crop production incentives in the form of investments in fertilizer, workpoints, allowing land to be borrowed for crop production and so forth, which have had a clear effect in rapidly increasing the amount of area under cultivation and practicing intensive cultivation from the very outset in the production of a number of crops.

Grain and food production is a front of critical importance to all our armed forces and people. In recent years, the organizations and units of the army, considering the winter season to be a main season, have raised vegetables and subsidiary food crops, thus helping to produce more products for society, reduce the quantity of grain and food that must be supplied by the state and stabilize and improve the living conditions of cadres and soldiers. During this year's winter season, when it is even more necessary that positive steps be taken to increase the planting of vegetables, subsidiary food crops and grain crops, units must establish good coordination between decentralization and centralization, make good use of all local sources of seed, plant crops on schedule and closely tie increases in the amount of area under cultivation to practicing intensive cultivation to raise the yield and output of winter crops, thereby contributing to the overall victory won on the agricultural front, a front marked by many difficulties and hardships, in 1985.

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THAI THUY DISTRICT STRENGTHENS FISHING COOPERATIVES

Hanoi QUAN DOI NHAN DAN in Vietnamese 23 Oct 85 p 3

[Article by Minh Hue: "Thai Thuy District Reorganizes Production and Improves the Management System Within Fishing Cooperatives"]

[Text] Thai Thuy, a coastal lowland district of Thai Binh Province, has about 3,000 laborers engaged in catching, raising and processing marine products. The fishermen of Thai Thuy have much experience in catching fish. Thai Thuy has advanced fishing cooperatives that have led the sector in the areas of production and management for many years and is the home of emulation warriors in the fishing industry to whom Uncle Ho awarded his emblem.

Thai Thuy District, as did the other places in Thai Binh Province, completed the cooperativization of the fishing industry between 1958 and 1960. However, the process of building and strengthening production relations and developing the fishing industry in Thai Thuy has also been marked by ups and downs. From 1976 to 1980, due to the very heavy burden of bureaucratic centralism and subsidization, Thai Thuy's fishing industry seriously declined. Practically all cooperatives operated at a loss, debts to the state steadily increased, some cooperatives became cooperatives with only one trade, internal unity was lost, cooperative members were no longer satisfied with their jobs...

To stop this decline and bring about the development of the fishing industry, Thai Thuy gradually reorganized production and improved the management system at fishing cooperatives. On the basis of the district's master plan, the marine products sector, together with the district and its villages, reexamined the production and business guidelines and the occupational structure of the cooperatives in order to gradually equip them with and redistribute gear, boats and nets in a way consistent with their management skills and production capabilities. The district transferred some of the fixed assets of cooperatives that had been operating at continuous losses to cooperatives that have a high level of organization and management in their production, a high level of technology, productivity and output and were showing a profit. Thai Thuy also centralized the supply of large engines at cooperatives that have a high level of technology and selectively equipped some cooperatives with small, 22 to 33 horsepower, engines in order to shift them to the harvesting of shrimp for exportation, fish and prawn. Today, Thai Thuy has corrected the problem of cooperatives only having one trade and many cooperatives now have many fishing trades that are in operation throughout the year. The district has adopted a policy of supporting and assisting cooperatives in the development of new trades, trades that are highly productive, especially trades that provide products for exportation.

Thai Thuy has divided fishing cooperatives that were too large into smaller cooperatives. At present, 70 percent of the fishing cooperatives in Thai Thuy have from 130 to 160 laborers. The district transferred nearly 150 women laborers in subsidiary trades at fishing cooperatives who had long lacked sufficient work and whose incomes were unstable to small industry and handicraft trades or salt production to provide them with a higher income, improve the standard of living of the families of fishermen and reduce the difficulties of cooperatives. More than 1,000 private laborers with 300 one to five ton non-motorized boats have been organized into production teams that are under the leadership and management of the village people's committees. These teams must obtain commercial licenses, register their boats for inspection, pay taxes and sell products to the state under contracts. The balance of the products not sold to the state may be freely marketed within the district or village. This force contributes millions of dong in taxes to the state each year. Due to the existence of this force, the state controls additional products and the maintenance of security in the offshore waters has been improved.

Thai Thuy has also strengthened and reorganized the management apparatus at fishing cooperatives. In addition to building party chapters and organizations that are pure, solid and strong to serve as the nucleus leading and guiding the mass movement, the district has attached importance to strengthening the cooperative management boards and regularly concerns itself with teaching politics and ideology to cadres, considering this to be the decisive factor in strengthening cooperatives. Persons elected to management boards must have knowledge of economic management, be technically qualified, know the fishing industry, be young and dynamic, possess a high spirit of responsibility and have the trust of cooperative members. In the process of strengthening its cooperatives, Thai Thuy has replaced more than one-half of cooperative directors because they were unable to perform their task in the new situation that exists now. In particular, those persons who serve as boat captains and first mates have been carefully selected and are elected by the members of the unit. They are the persons who bear full responsibility to the cooperative management board for the tasks assigned (managing labor, assets and the catch) and have the authority to propose which jobs should be assigned to each member of the unit as well as the authority to suggest that the unit not accept or refuse to accept cooperative members who have violated internal regulations on many different occasions but have not changed their ways.

Together with reorganizing production, Thai Thuy District has also gradually improved the management system within fishing cooperatives. All fishing cooperatives in the district have applied a standard, comprehensive contract with their unit that encompasses the quantity and quality of products sold to the state under contracts and the size of the other payments that must be made, such as depreciation of fixed assets, production costs, taxes, the various funds and wages.

The reorganization of production and the improvement of the management system, which have been carried out in a well coordinated and comprehensive manner throughout the district and its villages, within each cooperative, on each boat and within each trade in the fishing industry, have had a strong impact in strengthening production relations and have brought about fundamental changes within the fishing cooperatives of Thai Thuy.

Whereas all cooperatives once owed more money to the bank than the value of their fixed assets, today, cooperatives have on their books 17 million dong in fixed capital that they have acquired on their own. At the new prices, these assets are worth more than 60 million dong. In Thai Thuy, cooperatives have begun to emerge that have tens of millions of dong in fixed assets and owe nothing to the state. Not one of the nine fishing cooperatives in Thai Thuy is rated weak and deficient any longer.

Thai Thuy has established developing the ocean economy as one of its most important tasks between now and 1990. Strong development at sea is an approach that will quickly bring prosperity and yield high economic returns so that an agro-fishing-industrial economic structure can gradually be established within the district. In the immediate future, the district will be attaching importance to strengthening its material-technical bases and strongly developing the various marine product trades, with the harvesting of shrimp for exportation being its leading trade in order to rapidly increase the output and value of exported marine products.

7809
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HEALTH, EDUCATION, AND WELFARE

STRENGTHENING LEADERSHIP FOR FAMILY PLANNING

Hanoi HANOI MOI in Vietnamese 26 Sep 85 pp 1,4

[Article: "Strengthening Leadership To Motivate Family Planning To Reduce The Rate Of Population Growth"]

[Text] VNA--On 19 September 1985, the Secretariat of the CPV Central Committee issued directive No 74-CT/TU regarding the strengthening of leadership to motivate family planning to lower the rate of population growth. The directive pointed out the following:

Since the Fifth Party Central Committee Plenum, many localities and organizations have positively taken the lead to promote the family planning movement and have achieved some results. However, the nationwide population growth rate is still high (2.3 percent). The population growth rate is faster than the production rate and has a substantial impact on the implementation of economic and social goals. In many areas, the Party Committee echelons, the authorities and mass organizations have not acknowledged the importance of the problem or thoroughly related population growth to economic and social development indexes. Neither have they had synchronized measures, coordinated different forces, or conducted regular follow-up activities to control and urge the implementation. The primary levels haven't come up with a concrete population plan. Mass organizations haven't done their job as expected in educating and motivating the public to actively implement family planning and planned parenthood. The public health sector lacks adequate organization and force to meet the needs arising from the movement. The authorities in general have lacked policies and measures to encourage planned parenthood. In order to carry out the resolution of the plenum regarding the population problem, there must be some innovations from the Party Committee echelons, the governmental echelons and mass organizations in the leadership to motivate family planning. There must be synchronization of measures to be used, mobilizing ample forces from all sectors and groups to take part in the movement.

There are some problems that need to be solved immediately:

1. It is necessary to promote propaganda and education on the population problem and family planning, insure that each individual clearly understands the strategic significance and humane nature of the policy and suppress

backward thoughts, conceptions, and customs. It is necessary to urge extensive public involvement, to get couples in the fecund ages to be aware of and be willing to apply the measures regarding planned parenthood in accordance with the national policy.

Propaganda, mass media, and cultural agencies must include this problem in their regular agenda within a progagative framework appropriate for the objectives in each area.

The Ministry of Education, the Ministry of Higher and Vocational Education, and the Job Training General Department must add population and family planning to the core curricula of the schools. The school systems of the mass organizations and sectors (including the military) must devise educational plans and subject matter on the problem for their students.

2. It is necessary for the Party Committee echelons and the authorities at primary levels to have concrete population plans and organize their proper implementation.

The party organizations and the different mass organizations of the Vietnam Fatherland Front at all levels must consider implementation of family planning one of their permanent responsibilities and have propaganda and educational plans to motivate cadres, party members, members of the Youth Union and group members to actively participate in the movement, serve as activists and set good examples for others to follow.

Scientific organizations need to organize study on demography so as to practically serve educational propaganda tasks and support population policy of the party and the state.

3. The public health sector from the inventory level down to the basic level must provide guidance in the proper implementation of specialized measures in applying family planning as conveniently and safely as possible. There is a need for strengthening the network, of increasing training of cadres whose tasks are to protect mothers and children, and to implement family planning at different levels especially in districts, wards, villages, and subwards. This should be done simultaneously with continual search for international aid, intensive study on national production of birth control equipment and drugs to gradually respond to the people's needs.

4. It is necessary for the national population and family planning committee to quickly complete their proposals to the Council of Ministers on issuance of specific policies aimed at encouraging cadres, workers, civil servants, and the people to properly carry out planned parenthood. All sectors and localities need to be aware of possible conflicts with population policy and family planning when issuing social and economic regulations and policies.

5. By strengthening the leadership in the Party Committee echelons and with the guidance of the people's committee at different levels, tight coordination between the various sectors and mass organizations will permit the movement to advance regularly, steadily and in step with other tasks, guaranteeing a decreasing population growth index. It is a must to include this index in emulation activities at different sectors and localities.

13091/13167
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POPULATION, CUSTOMS, AND CULTURE

POPULATION PLANNING TIED TO ECONOMIC, SOCIAL PLANNING

Hanoi NHAN DAN in Vietnamese 2 Oct 85 pp 2,4

[Article: "Contemporary Problems; Population Problem in Vietnam"]

[Text] 1. The population problem has gained strategic significance in Vietnam, closely tied to the task of building the new regime, the new economy, the new culture, and the new man. Population strategy is part of socioeconomic strategy, serving that strategy and determined by that strategy.

How large a population is required by the present requirements for socioeconomic development and defense-building, and how is it to be rationally distributed?

The qualitative needs of Vietnam's population must be determined from forecasts of socioeconomic development. Of what elements, with what occupations, will the population structure of Vietnam be composed? What will be the educational, skill, ideological, and psychological qualities of those elements?

What population policies and economic and educational measures must be adopted to achieve the above population quantity and quality?

Is population planning possible in our country in the circumstances of the transition period with leadership by the Party, ownership by the people, and management by the state?

What is the most rational population distribution for nationwide zoning--i.e., how can each region of the nation develop evenly and most effectively use all land and labor and all natural resources and population potential.

What policies must be adopted to ensure the superior qualities and humanistic spirit of collectivism in reference to such elements of the population as children, the elderly, pregnant women, handicapped veterans, and families of deceased veterans.

How is the population policy of the party and the state to be implemented to be effective not only for the state's monthly wage-earning classes of workers and intellectuals, but also for the peasant class, which makes up 80 percent of the country's population.

2. In carrying out such tasks, we can copy no ready-made model in the world. We must likewise weigh and analyze all useful population measures of the exploiting class. The population problem is presently being recognized on the world scale and is being resolved according to different viewpoints and policies that are tied to differences between social systems, class benefits, and methods of scientific theory.

The first problem is to conduct an investigation of the present situation with the population of our country via truly scientific methods. How have localities implemented policies of the party to reduce the birth rate to 1.7 percent, and what are the actual prospects for those policies? Recent investigations of the Social Institute conducted at Ha Bac, Thai Binh, Ha Son Binh, Ha Nam Ninh, Thanh Hoa, and Hai Phong indicated that the real figures do not completely agree with the reported figures of localities. Without pointing out the subjective nature of these reports, it would be very difficult to implement the population planning of the party.

The social sciences must address the problems of a causal nature in the process of population growth in Vietnam. Population growth is not only a process of an educative nature, but is primarily one of a social nature.

The laws of population growth in our country have been formed on the basis of determined socioeconomic conditions. The social sciences must discover the different birth rates in sectors varying in such characteristics as religion and ethnic minority.

Only when we grasp the special characteristics of each of these components of the society will we have appropriate measures.

The economic role of the family also has a strong influence on the birthrate. On the economic side, families needing many workers in agriculture and handicrafts industry want many children. Families of intellectuals, however, which need time for study and creativity, have begun to understand the advantages of having few children. In addition, such traditions as "rich in children as well as in possessions," "more boys than girls," still run deep in many places. The social sciences must study ways to effectively influence that psychology.

Men's changes in ideology must be researched in detail. When our people can become conscious of the ideology of collective ownership and the need for the individual to completely develop, family planning will definitely be implemented in a self-aware manner.

3. Grounded in this concrete situation, scientific activity must develop the most appropriate methods for the circumstances of Vietnamese society.

We know that countries around the world are presently using many methods, but they can generally be divided into two types: 1) methods of persuasion, and 2) methods of force.

Nor do we reject those two methods. In recent years, localities faced with the crisis of a population growing too fast have urged, encouraged, and rewarded families with two children or less. Localities also used methods of a coercive nature toward persons with three children, such as delaying pay-raises, eliminating emulation achievements, not issuing more housing, shortening the period of time off for childbirth, and mobilization for new economic zones.

We think that these methods are producing significant results, but are not yet certain that they are the basic methods for a country in which the people collectively control the destiny of society, of the family, and of themselves. Measures that punish parents leave no alternative and are temporary. These methods make newborn children--the future leaders of the land--suffer for the mistakes of their parents. At some future time when fathers and mothers realize the benefits of having few children, the above temporary measures will no longer be necessary.

4. In support of the above measures, the Ministry of Public Health urgently created many methods of prophylaxis and abortion. When the people are voluntarily aware, this is important and useful work. On the other hand, it will not be very effective. In Dong Son and Thai Binh, 50 women out of 100 who receive IUD's will still have children. This illustrates that the effectiveness of medical methods depends primarily on the social conditions and psychological attitudes of the people. Activities of the Ministry of Public Health must therefore be conducted in sychronization with sectors and fronts, with the propaganda and press network, and especially with social science circles.

5. If variations in the birthrate depend on socioeconomic conditions, population planning affects the socioeconomic base. If the material life of the family depends on the effectiveness with which the mother and father works, then the appropriate action for persons developing skills and productivity of workers is to encourage them to have fewer children. The price/wage/money policy of the party is creating a balance in distribution and will contribute to promoting production in conjunction with limiting births.

6. Planned parenthood is primarily a matter of voluntary awareness on the part of the father and mother. What is critically important here is the matter of population education in the school as well as education in the concept of family planning among the masses of the people.

When the people are truly aware of the great benefits of family planning to the nation and to themselves, they will implement it easily and conveniently. Encouragement and force are pressures from outside;

ideological education is promotion from within and an appropriate and basic method of a system of collective ownership.

7. In contrast with capitalism, in which the parent's life is oriented on profit and on thinking only of one's self, not needing the family, with no rapport between parents and children, our party requires each person from the moment of birth to be raised in love and for love to be the meaning of their life. To raise healthy and good children who care for and respect their parents is not only the responsibility of education in our society but is also the proper source of happiness for man.

We must make each person realize that it is wrong to have children irresponsibly and to let one's offspring live with no one to rely on. And to raise a child to adulthood with willing care is a sacred responsibility. We must make each person realize that it is better to have one child and raise it well than to have three or four children who are in need, sick, and ignorant.

The sense of responsibility and deep love towards parents will also encourage us to have few children in order to reserve time for study and work and thereby raise the standard of living of the family and develop our national traditions of respect for the aged and love of children.

8. The rate at which women have children is tied to the level of their liberation. When women are aware of their right to equality with men, their right to study, their right to labor, their right to participate in social management, and their right to intellectual advancement and development of talents, they will certainly not sacrifice all these fine things for the chronic sickness, weariness, growing old, turning unattractive, and the distain and abuse that comes with bearing many children. The Women's Union has an important role in awakening women to their legitimate right to have few children. The most important aspect of the party's policy on women is to free women from the burden of bearing many children in order to bring them true equality, progress, and happiness.

9. In industrial countries, when economic life develops, the birthrate declines. But Vietnam is different: when the standard of living is low, the birthrate is high, and when the standard of living rises, the birthrate rises more. The standard of living is not yet high enough here. Only when the high standard of living creates cultural needs will the birthrate decline. Only when husband and wife realize the need to raise cultural and occupational standards, the need to appreciate literature and art, the need for time to travel and enjoy entertainment, and the need for enough material possessions to entertain friends will they realize that they must have fewer children. Here the Ministry of Culture, the Youth Union Central Committee, and the Physical Education and Sports General Department are responsible for encouraging and satisfying the requirements of that cultural life, thereby making a practical contribution toward implementing the party and state policy on family planning.

10. Planning the rational distribution of population throughout territorial regions in order to make best use of the contributions of the people in nation-building is a positive means of population planning. Organizing new economic zones well, constantly raising the standard of living and the material and cultural life of rural people, hill people, and coastal people are special concerns of the party and the state and are important research topics for the social sciences.

Improving life for the elderly, for wounded veterans, and for the families of war dead and using their capability for continuing contribution are not only requirements of social policy, but are also part of the make-up of population policy.

Capitalism can neither perform population planning nor plan its entire socioeconomic life. Our system, however, is different. Population planning is not only a capability, but is an essential rule of the new social system. That is a requirement of the planned developing economy and is implemented in the spirit of self awareness of all the people. The ideal of collective ownership is the special characteristic and prerequisite of that policy of population planning.

The goal of population planning must be adhered to in all sectors and levels so that it is conducted simultaneously from top to bottom.

It is also a long-term process with positive contributions from population research and other social sciences and natural sciences.

9830
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YOUNG WRITERS CONFERENCE OPENS IN HANOI

OW191035 Hanoi Domestic Service in Vietnamese 1100 GMT 18 Dec 85

/Text/ The Third National Conference of Young Writers opened this morning at the Workers' Cultural Palace in Hanoi, with the participation of more than 150 young writers representing thousands of young writers throughout the country.

The conference gladly welcomed the delegation from Minh Hai Province, the delegation of combatants of the Vietnamese volunteer army in Cambodia, and many delegates from various localities, who had come to manifest our people's concern and solicitous care for the future generation of Vietnamese writers.

Present at the opening session were delegates from the Vietnam Women's Union /VWU/ Central Committee, the Ho Chi Minh Communist Youth Union /HCMCYU/ Central Committee, the Ministry of Culture, the VPA Political General Department, the Vietnam Confederation of Trade Union /VCTU/, and various sectors and mass organizations of the center and in Hanoi.

Comrade Ha Xuan Truong, head of the Culture and Arts Department of the Party Central Committee, attended the conference as a member of the presidium.

Poet Chinh Huu, on behalf of the Vietnam Writers Association /VWA/, opened the conference. Poet Huu Thinh, member of the secretariat and head of the training committee of the VWA, read a report of the VWA secretariat, entitled "Socialism, the Creative Objective and Choice of Young Writers."

The report stresses: Over the past 15 years, since the second conference of young writers in June 1971, under the solicitous care of the various party echelons and the administration, with the help of the various organs and mass organizations, and thanks to the efforts of the VWA, the contingent of young writers has increasingly developed, especially after our country's reunification in 1975. Grasping the party's great ideas and revolutionary tasks, the VWA has exerted great efforts to build the young writers' force while training and fostering young writers and encouraging them to improve their talents, study studiously, and engage in life, production, and combat in order to create a new literature full of youthful vigor. As a result, at each stage of the revolution a new class of young writers has emerged, bringing new vitality to literary life. During the last 15 years of the 20th century, our writers, fully aware of their responsibility, have devoted all their strength to creative labor and contributed to bringing our country closer to the 21st century.

This conference of young writers was a manifestation of their determination and responsibility regarding socialism and the new developmental steps of our country's literature in the years ahead. This conference was a conference of learning and work for our young writers.

The VWA's report highlights the great progress achieved by our young writers since 1975. Two-thirds of our young writers are of college level. Many of them are scientific and technical cadres, teachers, physicians, workers, cooperative members, and combatants of the armed forces. They have enthusiastically engaged in labor, combat, and writing. Thousands of them have been introduced regularly in local and central newspapers and magazines. Most of them have been tried and trained during the last years of the anti-U.S. resistance war and have gained experience in their respective fields. Born and raised under the new regime, they have attached themselves to the revolution and are imbued with the party's ideals. Adopting a positive attitude, they have reflected in their works the atmosphere, rhythm, and vast range of life as well as the tough struggle between the capitalist and socialist roads in our current socioeconomic construction. In the present new stage of the revolution, our young writers have mapped out a program of action for themselves: engaging in labor as combatant writers, upholding the great justice and genuine and noble humanity of socialism, and contributing to building socialism successfully in Vietnam. They are struggling to become combatants on the cultural and art front in accordance with Uncle Ho's teaching.

At this morning's opening session, Comrades Vu Mao, Nguyen Thi Dinh, and Vu Van Can representing the HCMCYU, VWU, and VCTU respectively, conveyed greetings to the conference. Col Huu Ha, editor in chief of TAP CHI VAN NGHE QUAN DOI, read a VPA Political General Department's letter of welcome. All the speeches and letters of greetings manifested concern for the education and training of our young writers and stressed the importance of this work in the building of a new socialist culture in Vietnam.

Comrade Vu Mao, on behalf of the HCMCYU Central Committee, awarded certificates of commendation to poet Tran Dang Khoa and writer Nguyen Manh Tuan and "for the young generation" medals to a number of writers.

In an atmosphere of warm affection and enthusaism, young and veteran writers gladly chatted with each other. Many of them were happy to meet each other for the first time and exchanged experiences with each other. They wished each other progress in self-improvement and creative work.

At the opening session, delegates representing young and veteran poets and writers delivered speeches. The conference of young writers will meet for 3 days, from 18 to 20 December.

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END

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9 January 1986

Southeast Asia Report

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FIJI

BRIEFS

LABOR PARTY SUCCESS--The Fiji Labour Party, formed on July 6, has scored an early success, which bodes ill for the governing Alliance Party and the National Federation Party [NFP], winning eight of the 20 seats in the Suva City Council elections, its first election contest (SSD/v5/8). The Alliance Party won seven seats, but the NFP failed to win a seat. Five of its members, who had seats in the previous council, defected shortly before the election in support of Mrs Irene Narayan, dismissed as NFP deputy leader by the leader Mr Siddiq Koya. They defended their seats as independents and won. Two parliamentary by-elections are in the offing. to be held in December, for the Ba-Tavua Indian National seat and the Lau-Rotuma Fijian Communal seat. The former is held by the NFP. A win by the Labour Party candidate for Ba-Tavua, party leader Mr Mahendra Chaudhury, will be of considerable significance for the future of Fiji politics, and could spell disaster for Mr Koya, whose position as NFP leader would be in doubt. [Text] [Sydney THE SOUTH SEA DIGEST in English 29 Nov 85 p 2] /9274

CSO: 4200/429

AGREEMENT WITH MALAYSIA ON INFORMATION EXCHANGE

BK061241 Jakarta International Service in English 0800 GMT 6 Dec 85

[Text] Indonesia and Malaysia agree to have an exchange of information as from 9 December this year for expanding cooperation between the two countries. An accord to that effect was disclosed by Indonesian Information Minister Harmoko and his Malaysian counterpart, Dr Rais Yatim, in Jakarta following their meeting yesterday. Early next week, both countries will send six of their information officers, each for a 3-week visit. Minister Harmoko said that the Malaysian side would be visiting the regions to see how the Indonesian national development is being carried out.

Meanwhile, Indonesian Minister for Research and Technology Habibie, during his 3-day visit to Malaysia, yesterday discussed cultural relations, student exchange, and also ways for setting up cooperation in these fields with Malaysian minister in the prime minister's department Khalil Yaakob. Minister Habibie later held talks on the possibility of cooperation in science and technology with Malaysian Science and Technology and Environment Minister Stephen Yong.

/9599
CSO: 4200/365

MOKHTAR SPEAKS TO REPORTERS ON 'COCKTAIL PARTY'

BK080102 Bangkok THE NATION in English 8 Dec 85 pp 1, 2

[Text] Indonesian Foreign Minister Mokhtar Kusumaatmaja flew here late last night for a meeting this morning with his Thai counterpart, [Air Chief Marshal] Sitthi Savetsila, at the Indra Regent Hotel, on Indonesia's proposal for a restricted "cocktail party" for all Khmer factions to meet together as a first step towards solving the Kampuchean conflict.

ACM Sitthi said last night that Mokhtar wanted to see him before the Indonesian minister visits Vietnam, where he is expected to sound out the opinion of Hanoi on the proposal for the cocktail party.

Informed sources said that the Thai Foreign Ministry prefers a cocktail party which would include Vietnam, as well as the Coalition Government of Democratic Kampuchea (CGDK) and the Vietnamese-backed Heng Samrin regime. Thailand wants Vietnamese participation in the proposed social meeting for the same reasons that it and the other ASEAN partners want Vietnamese participation in the proposed proximity talks."

Indonesian President Suharto recently said that Vietnam should also be invited to such a cocktail party. Following his statement, ASEAN senior officials who met in Chiang Mai recently, endorsed the Indonesian initiative on the matter. Mokhtar also said before his departure for Bangkok that he saw nothing wrong with Vietnamese participation in the cocktail party, which is primarily aimed at creating an atmosphere of reconciliation among Khmer groups.

The proposal for a cocktail party was initiated by CGDK President Prince Norodom Sihanouk but, according to his version, all parties concerned, including China and the Soviet Union would also be invited. That proposal drew lukewarm response because it is in line with the Geneva-type international conference proposed a long time ago by the prince. Nonetheless, it came into the limelight when Jakarta modified the cocktail party proposal by restricting the participants to the Khmer parties only.

Mokhtar told reporters upon arrival here at Don Muang Airport late last night that he is here to clear up possible misunderstandings that Indonesia was pushing for the original version of the cocktail party proposal. He said that Indonesia modified Prince Sihanouk's proposal because any initiative from the prince should not be ignored and because many people feel that it was too early to hold a large cocktail party.

However, the Indonesian modification of the prince's proposal somehow leaked to the press and led its ASEAN partners to believe that Indonesia was willing to host a cocktail party according to original version.

He said that his idea of a cocktail party was still open to revision, which was why he has come to get additional ideas from his Thai counterpart.

Mokhtar said that he did not think Vietnam would reject a proposal for a cocktail party because "it's only between the Khmers." A cocktail party is only an informal meeting and if the participants want to talk business later on, then they could hold a formal meeting; otherwise ASEAN would lose nothing, according to the minister.

He said that he will fly to Malaysia Monday to meet his Malaysian counterpart.

Asked when he will go to Hanoi, Mokhtar said, half jokingly: "Christmas?"

/9599
CSO: 4200/365

INDONESIA

MELBOURNE RADIO INTERVIEWS MOKHTAR ON EAST TIMOR

BK080240 Melbourne Overseas Service in English 0710 GMT 7 Dec 85

[From "International Report" program moderated by Andrea McLachlen]

[Excerpt] In Jakarta, our correspondent Walter Hamilton asked the Indonesian foreign minister, Dr Mokhtar, if opposition to Indonesia's action has been the result of a different perception of what was happening in East Timor in 1975.

[Begin recording] [Mokhtar] Yes, because I think we have never been given a real chance to present our case. At least, this small group of people have always had an a priori view of the East Timor question viewing the Fretilin [Revolutionary Front for Independent East Timor] as a liberation movement. Now that is a big if. We do not view them as a liberation movement. They are a last-minute transformation of what used to be the Social Democratic Party of East Timor, which after the takeover of the Flower Revolution in Lisbon, was transformed into Fretilin and weapons were given them by the Portuguese. So, its a Portuguese creation. How on earth can you view this as an independence movement when they precisely did things that were against the agreement between Portugal and Indonesia--not to use force in self-determination. So I think the Australian position here was very strange. I mean this small group. Maybe some politics behind it.

[Hamilton] Looking back over these 10 years, are there any lessons you think that Indonesia has learned from the experience?

[Mokhtar] That is putting it in a strange way. I mean everybody learns a lesson. One lesson we learned is that we should speak up. You know, we have been too quiet about stating our position. We were very Javanese about it and the other side was very articulate about it. They had the whole PR campaign going on and that is the reason why they did a beautiful snowjob as they say, you know, and I think it fooled a lot of people. I mean it is something to sell a movement like that as an independence movement and get away with it. It is really something, you know, whereas if you look at the history of the Portuguese-Indonesian arrangement, it was to be a self-determination exercise, free from all use of force. And yet, one part engaged in the use of force and lo and behold they were greeted as the true liberation movement.

[Hamilton] How do you think it is possible?

[Mokhtar] Very good PR, I must say.

/9599
CSO: 4200/365

LAOS

FAIDANG LOBALIAYAO APPEAL ON TRIBAL NEW YEAR

BK111312 Vientiane Domestic Service in Lao 1400 GMT 9 Dec 85

["Appeal" by Faidang Lobaliayao, vice chairman of the SPC and of the Lao Front for National Construction of the LPDR -- date not given; read by announcer]

[Text] Beloved compatriots who celebrate the traditional King Chiang new year festival, especially our Mong tribal people:

The traditional King Chiang new year festival is here again for us to celebrate amidst an atmosphere filled with the spirit of revolutionary enthusiasm, in which we are celebrating the 10th founding anniversary of the young LPDR. Therefore, the people of all tribes throughout the country in general, and those with the Kin Chaing new year tradition in particular, who are under the leadership of the LPRP -- the organizer and leader of all the victories of the Lao revolution -- have more closely united to review the achievements scored in the past years and have enthusiastically made preparations to continue to launch an emulation campaign to score achievements and to implement the 1986 plan with a sense of confidence so as to score yet greater victories.

Beloved compatriots, throughout the evolutionary movement in the past 10 years, the LPRP Central Committee has mapped out the line, direction, and policy toward the people of all tribes. For instance, in 1982, it convened a tribal meeting of historic significance, in which Comrade General Secretary Kaysone Phomvihan, our respected leader, made a speech. At the meeting, he said: all tribal people in our country have joined efforts in building and defending the country and have united with one another. Especially since there now is a party to lead, the link among the people of all tribes has become more closer and national concord has been rapidly forged. In addition, each resolution adopted by the party Central Committee has also put an emphasis on improving the economic construction by and the living conditions of the people and on building a political foundation in the tribal regions. the promotion of the people's right to mastership and the socialist construction in the tribal regions have made all-round progress and development, thereby thwarting all new schemes and tricks of the imperialists in colluding with the Chinese ruling clique and other reactionary forces to destroy the Lao revolution.

Faced with the development detrimental to our nation and the just interest of the laboring people of all tribes, our people have united to smash all the maneuvers launched by the enemies in all the tribal regions in a timely manner. for example, in the past year, the enemies still continued making efforts to deceive and lure our Mong tribal people through several tricks to abandon the revolution and to desert our rich fatherland and families to join the imperialists, the Chinese ruling clique, and the Vang Pao reactionary clique, thereby causing misery and losses to our people. At the same time, the enemies also constantly infiltrated exiled reactionaries into the tribal regions to carry out subversive movements.

Nevertheless, imbued with the revolutionary tradition and with a sense of patriotism and love of socialism, our tribal people as well as those compatriots who observe the traditional Kin Chiang new year always maintained a sense of deep hatred against the enemies who intended to commit destructive crimes against our revolution. In the past year, our tribal people energetically organized actual movements to primarily fulfill the plan of the last year of the first 5-year state plan, thus scoring numerous brilliant successes.

On this occasion, I would like to sincerely hail the determination, unity, and heroism, and enthusiasm of our compatriots of all tribes who are set to celebrate the traditional Kin Chiang new year festival. Here, I am very proud of and profoundly grateful to the LPRP which is always concerned with the national development work and has pursued a correct policy to improve the life of the people and to bring actual great and all-round prosperity to our beloved land. The new face of our Lao nation is now much more beautiful and progressive. The right to mastership of our people of all tribes has also been thoroughly promoted. Our people of all tribes throughout the country, including our compatriots with the Kin Chiang new year tradition, have already enjoyed the benefits derived from our new Lao society.

Beloved compatriots, the traditional Kin Chaing new year festival this year is very significant for our Mong people as well as the people of all tribes throughout the country. I appeal to all of our compatriots to continue enhancing the revolutionary spirit, to endeavor to fulfill the tasks of implementing new resolutions adopted by the party Central Committee Political Bureau, to increase your faith in the party, to turn the party Central Committee's resolutions into your ideals, to be determined to organize actual deeds in order to make noble contributions to the revolutionary cause in the new period, to pay attention to building a political foundation in all the tribal regions, to strengthen the unity between the tribes with the King Chiang new year tradition and the other tribes in the Lao family, to resolutely resist all the schemes of the enemies who are always intent on creating rifts among the people of all tribes and between the party and state leaders and the people of all tribes, and to pay attention to fulfilling the obligations in defending and building the socialist Laos.

In the new year of 1986, I call on all compatriots to carry out together the following tasks: Let the people of all tribes pay attention to contributing to fulfilling the tasks of defending and building our socialist country, holding aloft a sense of thrift, resisting all forms and phenomena of extravaganza, contributing to promoting the right to collective mastership, consolidating and strengthening the proletariat dictatorship in all respects, and consolidating the guerrilla milita units and public security forces so as to ensure security for all localities.

Let us create a new spirit in the new year, organize production, make preparations to carry out production plans, and improve the living conditions of the people in 1986.

I call on our compatriots who have been misled to side with the opposide side to urgently return to our beloved Laos so as to build and develop it into a civilized land and to bring happiness and prosperity to our people of all tribes.

Our people of all tribes throughout the country, especially those with the Kin Chiang new year tradition -- the Mong tribal people in particular, must folow only a single path -- that is to follow the party and state by building and taking our country toward socialism. This is the only way to have a brilliant future.

In the new year, I appeal to all compatriots to love and unite with one another, [words indistinct] in the Lao family, and to work together to score new greater victories!

An old Mong saying says: The old year has passed and the new year has just arrived; let all the people have strength, new water, and new rice. May they have rice in the barn, livestock in the pen, and children in the house. May the Mong tribal families and the other Lao families have socialist happiness.

/12640
CSO: 4206/36

VIENTIANE PARTY CHIEF SEES SECURITY, ECONOMIC IMPROVEMENT

Vientiane PASASON in Lao 22 Oct 85 p 2

[Article: "Some of Vientiane Provincial Party Secretary Comrade Khamphai Ounlada's Views on the10-year Implementation of the Party's Two Strategic Duties"]

[Excerpts] Vientiane is a large province, and it is strategically important politically, militarily, economically, and socially. It is a firm stronghold for the center and for Vientiane Capital. It borders on many provinces, e.g., Xieng Khouang, Luang Prabang, Sayaboury, Bolikhamsao, and Vientiane Capital itself. It also shares 97 km of its border with Thailand in the area of Sanakham. It has over 260,000 people with a heritage of persistence who defeated the imperialists in two great wars, and are now victoriously working on transformation and socialist construction.

In the past 10-year period, by firmly grasping the two strategic duties and enthusiastically applying the success of the LPRP third congress to the situation, the special strong points, and the localities, the Vientiane Provincial Party Committee worked on implementing Plenum 51 of the party Central Committee and strongly turned to the grassroots. They propagandized and mobilized the people to carry out effectively various types of work, e.g., national defense and security, transformation and economic construction, promotion of culture, improvement in the machinery for economic management, party construction, and cadre training, etc.

National defense. By firmly grasping the directions to attack the enemies at the same time, politically, economically and militarily, they firmly worked in cooperation with all the local forces and attacked the enemies in the jungle, purged the enemies in the villages, propagandized, and trained the people to promote production and to raise the standard of living. They were able to dismantle the enemies' schemes step by step, and [now] Vientiane is fairly calm.

Economic transformation. For example, agricultural production has achieved a great victory as never before. Prior to the national liberation Vientiane Province faced food shortages 5 months per year on the average. Under the new regime, however, with the leadership of the people's party [Vientiane Province] has promoted the heritage of diligence and has enthusiastically worked on agricultural production. It has been able to turn over a new leaf and to become self-sufficient and self-reliant in terms of food supply. For example, in 1984 the province had a fairly high amount of agricultural production. Throughout the province there were 33,234 hectares of ricefields, and the harvest capacity was 2.6 tons per hectare on the average. The total for both hill farming and paddy rice production was 122,284 tons of 482 kg of paddy rice per capita on the average. It carried out its obligation to pay agricultural taxes, and sold many thousands of tons of rice to the government. Thus, when compared with the figures for 1981, the ricefield area has increased by 2,833 hectares and production has increased by 32,685 tons or 36 percent. The people in the rice-growing area have become awakened, and 177 agricultural co-op units have been organized.

Industry, handicrafts, and forestry. The province has improved and used a number of old factories, including 5 state-owned, and 271 workers to produce fairly well on a regular basis. Gross production in industry, handicrafts, and forestry in 1984 amounted to 65 million kip. Trade has been expanded down to the population bases. Throughout the province there are 54 stores, 30 more than there were in 1981. There are 14 people's stores, an increase of 12. The value of the purchases within and outside [the province] has been fairly good, including rice purchasing over the past 2 years, which not only responded to the standard of living of the cadres in the province, but also carried out its obligation to the center and to Vientiane Capital by many thousands of tons.

In improving the dictatorship of the proletariat and construction of the political base in the past, Vientiane Province turned its efforts to the grassroots to help districts, cantons, and villages. It educated and trained people with determination, and raised their consciousness for taking part in attacking the enemies, promoting production, and raising the standard of living in the grassroots and in the offices and units around the province. They were able to improve and assign work sections, work units, and different main enterprise units that are part of the work machinery to help and strengthen all areas of work. The mass organizations succeeded in the congress held at their own level. Organizations were assigned and allocated tasks in accordance with the political duty of the party. The Lao People's Revolution Youth Union [LPRYU] gained 6,459 members, an increase of 4,649 when compared with the figure for 1984. The Lao women's federation gained 23,140 members, an increase of 9,876. The trade union gained over 2,300 people, an increase of 560. They strengthened 28 cantons, 198 villages, and 8,944 families. They efficiently trained 52,494 cadres, and wiped out 272 white cantons which are now under the guidance of party chapters and party members. This means that now there is peace in the population base. In order to prepare for the congress our provincial party committee has succeeded in enthusiastically conducting the congress at the grassroots and in nine districts.

9884/13104
CSO: 4206/21

LAOS

VIENTIANE CAPITAL INDUSTRIAL SECTOR PROBLEMS DISCUSSED

Vientiane VIENTIANE MAI in Lao 25 Oct 85 p 2

["Our Capital" Column by Sengsouli Sonsoulin: "For the Progrss of Industry, Handicrafts, and Forestry in Vientiane Capital"]

[Excerpts] In past years the Vientiane Capital Industry, Handicrafts, and Forestry section has gradually and ceaselessly made progres in terms of the duty and political direction of the party and government. In order to make production more efficient this section is trying to improve the stateowned factories to produce effectively goods for the public. Thus, Vientiane Capital has a role in goods and in producing them, and it has gradually become self-sufficient. It carries out its obligation to the central echelon, and has also exported a number of goods.

Besides improving old factories, Vientiane Capital also obtains the assistance of and works in cooperation with Hanoi Capital and Ho Chi Minh City of the SRV, and has built many additional factories with the mutual economic assistance between Vientiane and Hanoi capitals and Ho Chi Minh City.

In the past 10-year period all the 19 state-owned factories increased their production in terms of both quality and quantity. There was an increase of a factor of 209.82 when comparing the gross production for 1976 and 1985. Also, Vientiane Capital guided six more private factories to produce and distribute their goods for the government, and they did a good job at it.

There is a tannery that sells 100 percent of its hides to the government. The fragrant soap factory sells 80 percent of its production to the government, and sometimes the amount of sales depends on the amount set by the contract of the trade company.

In the past there were many difficulties concerning industry, handicrafts, and forestry production. For example, there was a lack of experience on the part of the cadres, under the old regime the factories all belonged to the private sector, and the factories were only for manufacturing because the raw materials were imported from abroad. By the time the government took over they were empty and many of them had been destroyed. There was a lack of technical documents. It was a very difficult time when the government took over the factories. However, the problems have gradually been solved effectively. Although production and other tasks could not meet the expected plans, they are in a position to expand gradually and steadily. For example, the factories were revived and now operate on a normal basis. As a result, the production quality has been improved. Some are able to produce for export as well as for domestic use. This has become a factor in Vientiane Capital's reputation as a city of production and its becoming self-sufficient in certain aspects, whereas before it was only a consuming city. Each year Vientiane Capital has been able to decrease its requisition from the center each year. As for forestry, tree-felling is still being done systematically; they not only fell trees, but are also replanting hundreds of thousands of trees.

Under the old regime Vietiane Capital depended only on imported goods and foreign technicians to lead its production and to manage its factories. In forestry the people fought with each other to cut trees, and they sold them for their own advantage. They were out only for themselves, and thought nothing of the damage this would cause to their nation's rich natural resources.

From the past we already know that the industry, handicraft, and forestry section of Vientiane Capital has become progressive step by step. However, there are still some tasks that have not been expanded as they should be. For example, economic planning and its transformation to the plan for each factory has not really be given attention. The summary of technical tasks was not done on a regualr basis, and as a result the follow-up in the production situation was not improved in a timely fashion. The management of the accounting-statitics plan is still not in accordance with regulations. Production has not yet gone up in quality, and it does not yet meet the standard, for example, materials for producing agricultural tools, fabrics, etc. However, the cadres and workers in various factories are working hard to improve their production in terms of quality and quantity by focusing on the collective goal of the central authorities.

9884/13104
CSO: 4206/21

LAOS

BRIEFS

SRV EXPERTS LEAVE--In an office in Vientiane Capital on the afternoon of 25 October, Mr Sithon Sibounheung, vice minister, party committee member, and administrative committee member for Vientiane Capital, planning section chief and chief of the Vientiane-Hanoi Economic and Cultural Cooperation Committee, received a farewell visit by the Hanoi team of trade experts led by (Nguyen Dinh Thieu) following their completion of the project on technical and trade cooperation between Vientiane and Hanoi. During the farewell visit both discussed many issues regarding the success in carrying out the specialized tasks and in taking part in various forms of technical assistance which has been basically completed. On this occasion Mr Sithon Sibounheung also praised the special fraternal cooperation and friendship of Hanoi toward Vientiane, and he expressed his belief that cooperation on the part of our capital will be steadily and firmly promoted. At the same time Mr Sithon also represented the party committee and the administrative committee of Vientiane Capital in wishing the Hanoi Capital team of trade experts a safe trip home. [Text] [Vientiane VIENTIANE MAI in Lao 28 Oct 85 pp 1, 4] 9884/13104

VIENTIANE CAPITAL RICE TRADE--According to news from the Vientiane Capital Agricultural, Irrigation, and Agricultural Co-op Section, there has been a gradual increase in wet rice and dry season rice production by farmers over the past 10-year period throughout Vientiane Capital. In 1976 there were only 27,200 hectares of wet rice growing area in all of Vientiane Capital, and the [production] capacity was 1.5 tons per hectare. The cultivation area for dry season rice was 1.238 hectares, and production capacity was 1.6 tons per hectare. But in 1985 the wet rice cultivation area was 27,000 hectares, an increase of 36 percent, and the production capacity was 2.5 tons per hectare. The dry season rice cultivation area was 6,000 hectares, an incease by a factor of 5, and the production capaicty was 2 tons per hectare. The hill farming area, on the other hand, underwent a gradual decrease. In 1986 [as published] the hill farming area was 3,640 hectares, and in 1985 it fell to only 1,317 hectares. [Excerpts] [Vientiane VIENTIANE MAI in Lao 31 Oct 85 p 1] 9884/13104

VIENTIANE PUBLIC SECURITY OPERATIONS--In order to guarantee the peace and happiness in Ban Xiang Gneun, Wat Chan Canton, Chanthabouli District, Vientiane Capital, since January the cadres in the public security service [PSS] unit along with the guerrilla unit within this village organized themselves to guard their own area of responsibility. In the past they captured three enemies and guarded their village over 270 times with over 2,160 laborers. They suppressed and educated over 50 gamblers 7 times, seized smuggled items 3 times valued at over 200,000 kip, and also wiped out people who constituted a social danger 10 times. Moreover, the PSS unit and the guerrillas in this village educated 300 other misled persons, and sent [illegible] of them to the district divison. They organized 49 people to guard 7 meetings, and guarded 6 different festivals with over 40 laborers. They held a course for the people in the PSS unit to study political documents twice with over 20 people attending, and they also held a course for the people of their own village to study docuemnts 4 times with over 1,000 persons attending. They worked in cooperation with the administrative committee to hold a course for studying documents 10 times with over 2,000 people attending. They expanded by adding more guerrillas, and they expanded the PSS units to 43 units. [Excerpt] [Vientiane VIENTIANE MAI in Lao 25 Oct 85 pp 1, 2] 9884/13104

NATIONAL DAY GREETINGS--On the occasion of the celebration of the 10th founding anniversary of the LPDR, Phoun Sipaseut, vice chairman of the Council of Ministers and minister of foreign affairs, has received greetings messages from Hun Sen, foreign affairs minister of the PRK; Petur Mladenov, foreign affairs minister of the People's Republic of Bulgaria; Dr Peter Varkonyi, foreign affairs minister of the Hungarian People's Republic; Bohuslav Chnoupek, foreign affairs minister of the CSSR; and Kim Yong-nam, vice premier and foreign affairs minister of the DPRK. In their greetings messages, the foreign affairs ministers of those countries highly appraise the LPDR's foreign policy which is safeguarding - peace, independence, friendship, and cooperation by strengthening the special solidarity and all-round cooperation with the SRV and the PRK, promoting and expanding the good-neighborly relations with various countries in Southeast Asia, and making a significant contribution to the common struggle of the socialist forces for democracy, peace, and progress in the world. [Text] [Vientiane Domestic Service in Lao 1400 GMT 11 Dec 85] /12640

CSO: 4206/36

SECRET MEETING BETWEEN MCA, PAS LEADERS REPORTED

Paper Discloses Meeting

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 16 Sep 85 p 1

[Text] According to a reliable and exclusive source today, a high-ranking leader of the Malaysian Chinese Association [MCA] not long ago had a meeting with his counterpart at the Partai Islam [PAS] to discuss how both sides can proceed to collaborate "the day the MCA quits the National Front."

The source said that the MCA leader recently contacted PAS' No 3 man Nakhaie Ahmad in secret.

The source declined to reveal to which faction the MCA leader belongs, although, like Nakhaie Ahmad, he was one of the top leaders in the MCA hierarchy.

However, the SIN CHEW reporter got an impression that the MCA leader belongs to the ruling faction.

The MCA-PAS contact also indicates that the possibility still exists that the MCA might withdraw from the National Front coalition.

The source said that as the issue under discussion by the parties concerned is conditional on the hypothetical event which has not taken place, Nakhaie Ahmad was not in a position to provide any definitive answer.

The source indicated that based on an analysis made by certain PAS members, there must be another faction within the MCA--apart from the Nio, Tan, and Mak cliques--which does not want to see the power struggle within the said party. So, strictly speaking, the MCA is now split into four factions.

The source added that with the MCA disarrayed the way it is, there is no possibility for the PAS to discuss about collaboration with it.

He said that if the MCA can be unified, and if the abovementioned hypothetical event takes place, collaboration between the two parties may become a reality.

PAS Clarifies Meeting

Selangor KIN KWOK DAILY NEWS in Chinese 19 Sep 85 p 2

[Text] Up to now the PAS has not had any contact with MCA senior leaders, but it confirms that it has met informally with an MCA's regional leader to talk about mutual understanding between both parties concerned without touching the problem of cooperation.

Mohamad Nagiya [phonetic], PAS [word illegible] president, today pointed out that 2 months ago his party and an MCA state-level leader met in Kotabaru and Kuala Lumpur separately, but he did not reveal the fact of the said MCA leader on grounds of discretion.

He pointed out that contacts between top leaders of both parties have been limited to "extending feelers" over the phone. No formal meetings have taken place so far.

On the questions of whether the MCA would quit the National Front or whether the PAS and MCA would cooperate to face the coming general election, Mohamad Nagiya said that not only the MCA but other parties, such as the Malaysian People's Movement [GERAKAN] and the Democratic Action Party [DAP], may discuss any problem with the PAS, including the question of cooperation.

"However, if those parties wish to cooperate with the PAS, they must first of all study Islam's connotation of political power and accept Islamic rule."

He added that the United Malays National Organization [UMNO] may also cooperate with the PAS, as long that they are willing to do away with their racist policy.

On the other hand, Hsing Fu-chuang [phonetic], director of Chinese Division of PAS' Publicity Bureau, said that in the coming general election, the PAS will definitely dispatch ethnic Chinese and Indian candidates to take part in the electioneering.

Mr Hsing said that since the party held its "Islamic National Seminar" last February, he himself, Oon Poh Hin (of PAS Youth League), and Lee Kian Hiong (a vice chairman of PAS Titiwangsa branch) have received letters from many basic-level leaders expressing their dissatisfaction over UMNO's policies.

"It is most evident that MCA's basic-level leaders are dissatisfied with UMNO's high-handed policy toward Chinese society, and they have hinted to 'teach UMNO a lesson' at the forthcoming general election."

Mr Hsing pointed out that by now Chinese mass organizations in 12 different regions of Perak state, including the Hin Han Association, have requested the PAS to explain the party's policies to them.

He said that the PAS has written to the Federation of Associations of School Teachers and Trustees to get together for a dialogue on the 29th of this month, but no reply has been received so far.

Mr Hsing said that on 6 October the PAS will hold a nationwide "Islamic Countries Seminar" at the Language Publishing Bureau. Invitations to attend the seminar have been mailed out to various Chinese civic organizations.

Lim Keng Yaik Denies Meeting

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 28 Sep 85 p 3

[Text] Datuk Dr Lim Keng Yaik, president of the Malaysian People's Movement [GERAKAN], today denied that his party has contacted the PAS.

He said that at the present stage, there is no need for both parties to hold a dialogue.

He also denied that the GERAKAN's basic-level leaders have met with three Chinese representatives of the PAS.

Datuk Lim made these remarks after attending the opening ceremony of the 36th general assembly of the UMNO.

PAS Deputy President Nakhaie Ahmad once disclosed that a number of Chinese-based parties, including the MCA, GERAKAN, and DAP, have dispatched basic-level leaders to contact his party.

9300/13046
CSO: 4205/3

MALAYSIA

LIM KIT SIANG PROPOSES DISCUSSION WITH PAS LEADERS

Selangor KIN KWOK DAILY NEWS in Chinese 16 Sep 85 p 2

[Text] In a cautiously-worded message, Lim Kit Siang, leader of the opposition, welcomed a statement made by Haji Abdul Hadi Awang, vice president of the Partai Islam [PAS], to the effect that the Islamic party opposes all manifestations of discrimination in Parliament based on race, language, and culture.

Haji Hadi Awang was making a keynote speech at a dialogue between officers of the PAS Youth Wing and representatives of Chinese society held in Kuala Trengganu last night. He promised that if the PAS were in power and ruled the country according to Islam, all special privileges of Malays and the bumiputras would be abolished, and even the term "bumiputra" would also be scratched.

Mr Lim, concurrently secretary general of the Democratic Action Party [DAP], said that in the coming central committee meeting next month, he will propose that the DAP invite PAS leaders to exchange views on their respective political outlooks, in order to better understand the Islamic party's political stand and struggle.

Mr Lim supplemented his message by saying: "I wish to stress that this statement does not mean that the DAP is proposing an alliance with the PAS, because under the prevailing situation, it is difficult for an opposition party to get its stand and policies across to the public in a fair and meaningful way through the mass media.

"If major political parties can get mutual understanding about their respective political viewpoints and policies, this would be conducive to a political order in Malaysia. In view of this, I will propose to the central committee of my party to invite also leaders of the United Malays National Organization [UMNO] for an exchange of views with those of the DAP and PAS parties."

In reply to a reporter's question why he added the word "cautiously" in his statement, Mr Lim said: "This was the first time in its 30 years' history that the PAS issued a statement about its stand against discrimination. At the same time, we need to study and consider Hadi Awang's intention of setting up an Islamic nation here."

Mr Lim termed Hadi Awang's statement on the PAS stand as a good development of Malaysian politics. "I am aware of the fact that the PAS would permit the establishment of private universities where a mother tongue may be used as a medium of teaching the students, the free development of various cultures, and the eradication of differing treatments for bumiputras and nonbumiputras."

9300/13046
CSO: 4205/3

DAILY ON UK'S PULLOUT FROM UNESCO

BK120945 Kuala Lumpur NEW STRAITS TIMES in English 10 Dec 85 p 14

[Editorial: "Deliberation or Dilemma?"]

[Text] Washington's withdrawal from the UN Educational, Scientific and Cultural Organisation last year arose from alleged mismanagement, an anti-Western bias, and the over-politicisation of UNESCO's activities. Britain under the present Conservative government has also cited these as reasons for its withdrawal, while Singapore has chosen to emphasise the mismanagement angle.

Britain and Singapore may deny that their decision to quit at the end of the year has been influenced by the U.S. But the two countries share similar economic systems and political styles, and model themselves after Washington's economic priorities. All three countries have more in common with one another than with the majority of nonaligned Third World nations that derive much from UNESCO and have decided to stay within it.

The decision to quit is not without contention, with strong protest in Britain from among the parliamentary opposition and the more liberal ranks of the Conservative Party. There have also been objections to Washington's decision with the U.S., while Singapore's position is not shared by the ASEAN partners. Quit decisions are not only defeatist; they deprive poorer countries of certain development opportunities, and conflict with the spirit of international cooperation.

The nature of UNESCO's responsibilities is not always utilitarian, seldom materialistic and never mercenary, which makes it difficult to assess their precise value-for-money worth so often expected by Western governments, which in turn are less disposed to appreciate their value to developing nations. If there is more compelling substance than confounding shadow in the "financial mismanagement" thesis, why do the dissenting countries not remain in UNESCO to argue their case, rally support, and work for positive reforms?

The same applies to allegations of over-politicisation and being anti-Western. Because the world has become increasingly complex, public projects sometimes cannot help falling within the ambit of some aspect of politics or other, to one degree or another. UN bodies also have to function amid overlapping political developments, and cannot always avoid political controversy.

With the growth in UNESCO's 160-member status coming steadily from newly independent nations, collective decisions resulting from the one-vote-per-country system may have drifted away from the traditional [word indistinct] of Western powers. The U.S. had contributed to a fourth of UNESCO's annual budget, and may not have seen a proportionate influence reflected in UNESCO's deliberations. It is ironic that the politicisation apparent so far lies less in the activities as such and more in the withdrawals themselves.

Where difficulties arise in UNESCO, they are more likely to be overcome within the organisation than from outside it. One does not solve a problem by running away, just to sulk and spite for another day. Subjecting an organisation to financial blackmail is certainly not the most democratic or even the most effective means of achieving reform.

UNESCO's General Conference--its top-level decisionmaking forum--next convenes in 1987, when a new leadership may be in the offing. Its administration should be open enough to be amenable to any desired changes, but these have first to be agreed upon by a majority of members. Similarly, the political systems of the dissenting countries that have withdrawn, or are considering withdrawal, should be open enough to afford them a serious re-think.

/6662
CSO: 4200/395

MALAYSIA

CURBING OF ILLEGAL IMMIGRANTS ADVOCATED

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 14 Sep 85 p 26

[Editorial: "Guard Against Infiltration of Illegal Immigrants"]

[Text] The other day, after officiating at the opening ceremony of the Agricultural Development Center, Deputy Prime Minister Datuk Musa Hitam told reporters that the government will take measures to guard against the infiltration of illegal immigrants, including the expansion of work area of the Special Task Force.

He said that the force's field area will be extended to Sabah and Sarawak. Their job will not be restricted to handling illegal immigrants from Vietnam, but expanded to include Indonesian, Filipino, and Thai illegals.

Datuk Musa's remark indicates that the problem of the infiltration of illegal immigrants into Malaysia from neighboring countries, as well as the threat they cause to our public order, is becoming more serious day by day.

In recent years, a number of ruling and opposition parties and mass organizations have expressed their views one after another on our social problems caused by illegal immigrants and their hopes for the government to see the issue squarely and take appropriate measures.

As a matter of fact, judging by the criminal offenses against our homes and womenfolk, and the harassment and threat to our fishermen on our country's east coast committed by these illegal immigrants, our tourism industry has been adversely affected, and our foreign exchange revenue has been curtailed.

Furthermore, illegal immigrants and foreign workers have, to a certain degree, affected job opportunities for our multiracial citizens and worsened our unemployment problem. According to the 1983-84 Labor and Manpower Report, last year's unemployment rate was 6.2 percent, an increase of 0.2 percent over 1983's figures. According to official statistics supplied by the Indonesian government, about 500,000 Indonesians live and work in Malaysia today. This is no small figure in proportion to our 15 million population and is likely to have an impact on the job opportunities of our own people. Therefore, before deciding to import foreign laborers, it is necessary for the authorities to consider the problem of tens of thousands of jobless people in our country.

Fully realizing the detrimental effects and consequences of illegal immigrants, the government has now decided to expand the work of our Special Task Force to nip the evil in the bud. This is an encouraging move indeed.

On the other hand, the government should also pay close attention to the practice by certain politicians of arbitrarily issuing residence or recommendation certificates to illegal immigrants who have not acquired official entry visas. For this provides a dangerous gap for the illegals to slip and land on our soil. If this loophole is not plugged in time, all efforts of the Special Task Force will be of no avail.

In the interest of our national tranquillity and the common benefit of our multiracial citizens, we hope the government will draw up more stringent laws against individuals or organizations that are aiding the infiltration of illegal immigrants.

We also hope the public and the government would cooperate closely on this score. Whoever discovers an illegal immigrant from any country must report it to the authorities so the latter can take the necessary action right away. It is the duty of every citizen to block the infiltration of illegal immigrants.

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CSO: 4205/2

MALAYSIA

PROMOTION OF MALAYSIAN-CHINESE TRADE URGED

New Prospects

Selangor KIN KWOK DAILY NEWS in Chinese 9 Sep 85 p 2

[Commentary: "New Prospects for Malaysian-Chinese Trade"]

[Text] Although 10 years have passed since the establishment of diplomatic relations between Malaysia and China, bilateral trade between the two countries has not progressed normally; in spite of a good deal of efforts, it has not been possible to discard subjective, stumbling factors or score a breakthrough.

Every year our country suffers an unfavorable balance of trade with China, and this deficit is most disadvantageous to us. Strong appeals to improve this inequilibrium have been voiced by the government and the public sector, yet all has been in vain.

There is no denying that stagnation in trade is attributable to some political problems between the two countries.

Ours is a developing nation, a country which is gradually moving toward burgeoning industries and industrialization. While we encourage foreign capitalists to invest and help the growth of our national economy and public prosperity, we also need to open up foreign markets especially for our primary products which require wider foreign outlets in order to earn foreign exchange.

At a time when China is currently pursuing an open-door policy in inviting foreign investment, we must grasp this fine opportunity to market our products for China's vast population scattered in expansive areas.

And China is a backward country. After being isolated from the outside world for many years, her people are interested in a curious about all sorts of things; any commodity can enter China's market and suit the taste of the Chinese people.

However, due to certain factors, we allow this mammoth market to be grabbed by others.

As a matter of fact, many countries, especially Japan, Germany, and the United States, are interested in the Chinese market. Even Indonesia, reputed to be the most anti-Chinese, has begun to do business with China. Therefore, it is understandable why China is only lukewarm toward trading with Malaysia.

But it is not too late to mend the fold even after some of the sheep have been lost. The authorities have positively taken the initiative to revise their strategy and wipe out certain provisions in order to facilitate Malaysian-Chinese trade dealings. This move should cause some excitement among business firms and is worthy of praise.

So far, however, there has been no official announcement about new, detailed plans to be adhered to by firms which intend to do business with China, although some cabinet ministers have made some indications about them.

We think that if the authorities really want to open up the huge Chinese market, we must speedily eradicate all unnecessary and overelaborate formalities [red tape] and draw up new regulations after consulting with various business firms.

Only after making the correct diagnosis can we prescribe the proper medicine, otherwise all talk about improving Malaysian-Chinese Trade will remain talk only, but no action.

In fact, no prejudice is tolerated for the handling of Malaysian-Chinese trade problems. Although Malaysian citizens of Chinese ancestry have cultural and racial relationship with their motherland, their roots are planted in this country. Consequently, their words and deeds have Malaysia's national interests at heart; the basis of their doing business with China is also for national interests, but definitely not to harm them. It would be wise for the authorities to understand this point.

If the authorities can eradicate these unnecessary worries, we believe that Malaysian-Chinese relations will develop speedily.

Improve Relations Further

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 10 Sep 85 p 28

[Editorial: "Do More To Improve Malaysian-Chinese Trade Relations"]

[Text] Developing Malaysian-Chinese trade relations and opening up the China market have become wide-ranging topics of discussion by the government and among business circles. This not only reflects the close attention of the government and the public but to a great degree also indicates that Prime Minister Datuk Sri Dr Mahathir will make all necessary efforts to improve the bilateral trade relations when he visits China in November this year.

As far as government officials are concerned, the talk by Education Minister Datuk Abdullah Badawi attracts the widest public attention. He maintains that Malaysia should attach great importance to the Chinese market and asserts that China's modernization plans will provide many investment opportunities to our country.

Haji Muhyiddin, deputy minister of trade and industry, maintains that local Chinese businessmen should take the initiative of visiting China to open up the market there. He believes that they will enjoy great advantage by virtue of their ability in speaking the Chinese language, although it is very difficult for Malaysia to break into the Chinese market because of the prevailing standoff between the two countries.

Judging by these remarks, it is definite that the China market has a strong appeal to Malaysia and other foreign countries. It appears that the main stumbling block is that the questions of direct trading and "security" have not been resolved.

At the moment, a real problem facing the leaders of both countries is whether they want to continue to accept these questions as hindrances to bilateral trading. We believe that the answer should be in the negative. Therefore, we maintain that as long as both sides are sincere, and after weighing the advantages and disadvantages, there is no reason not to pierce through the current unhappy situation.

We all know that many late leaders of both countries spared no effort and devoted their entire energy and thought in the interest of the government and people of both countries, which culminated in the establishment of Malaysian-Chinese diplomatic ties and the writing of a new chapter of the bilateral relationship. Today, leaders of both countries should act on the orders of their elder generation and develop Malaysian-Chinese relations.

At present, members of ASEAN countries, including Singapore and Indonesia which have no diplomatic ties with China, have adopted vigorous actions to open up the China market. As we have had 10 years of formal ties with China, Malaysia naturally is in a better position to do business with China. It simply doesn't make sense if we lag behind other ASEAN countries in our efforts to grasp the China market. This point deserves a serious examination by our leaders.

How the Malaysian-Chinese relationship will develop mainly depends on the efforts of the leaders of both countries concerned. Opening up the China market means that we must not only give full play to the zeal of all businessmen in our country, but also rely on government aid, coordination, and support. This is because our country is a developing nation where commercial and industrial know-how as well as economic strength of individual businessmen are not adequate. If we ask businessmen to go it alone, we will get half the result with twice the effort, and they will not be able to compete effectively with industrialized countries.

We feel that on this score the government should learn from Japan. Japan is the world's most successful exporting country. The reason she can compete with the United States in export trade so effectively is because the

Japanese government gave massive financial aid and export rewards to Japanese businessmen during the 1960's,

In view of this, we believe that the government should adopt appropriate measures, including the lifting and simplification of restrictions of visitations to China, and give local importers and exporters financial aid and export facilities to prepare themselves for opening up the China market.

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MALAYSIA

CUT IN GOVERNMENT WORKERS THROUGH PRIVATIZATION PLANNED

Minister Cites Reasons

Kuala Lumpur UTUSAN MALAYSIA in Malay 14 Oct 85 pp 1, 6

[Article by Embong Haji Muhammad: "Government Wants To Reduce Number of Government Workers; Khalil Says It Will Be Carried Out Through Privatization"]

[Text] Kuala Terengganu, 13 Oct--Datuk Haji Khalil Yaakob, a minister employed in the prime minister's office, said the government is considering the adoption of a privatization plan to reduce the number of civil servants and officials now in government service.

The government would transfer these employees directly to private concerns, he remarked.

He explained that under this scheme, the government would guarantee that the officials and staff involved would suffer no losses. Their salaries would not be cut, and they would retain the right to a pension after serving for more tham 10 years.

Speaking during a dialogue meeting held with 300 members of the UMNO [United Malays National Organization] welfare and labor relations committees and labor relations advisory committees of UMNO trade unions in the UMNO Building here today, Datuk Haji Khalil informed his listeners that the government was unable to meet the salary increases demanded by the trade unions.

The minister, who is also chairman of the Malaysian UMNO Labor Bureau, said 880,000 officials and civil servants were employed by the government at various grade levels.

If they were granted a salary increase of one ringgit per person, the government would have to expend $880,000 [Malaysian dollars] a month. This did not include an increase in the pensions awarded retired officials and civil servants.

Malaysia has more government officials and civil servants than any other small, developing country, he said.

There is one civil servant for every six workers in this country, he added.

Datuk Khalil denied the allegation of those who said the government purposely found reasons to reject the wage demands presented by the trade unions.

The government, he said, was sincere and honest in its dealings with its civil servants and officials.

He said the government had always taken into consideration the problems faced by its civil servants and officials, and in 1980 it had granted them a very fair raise.

Following this raise, it had revised the pension system so that pensions could be awarded to families of deceased civil servants, Datuk Haji Khalil added.

He said further that the government earlier had resolved many of the problems faced by the trade unions.

Therefore, he went on, if any official or civil servant had a problem, it could be submitted to the chief of his service for forwarding to the Public Services Department (JPA).

Datuk Haji Khalil denied that he was reluctant to meet with trade union leaders to discuss problems including wage demands.

"In reality, it is the trade unions who do not want to meet with me. They only want to meet with the prime minister.

"Not long ago, several trade union leaders met with me, and I sincerely welcomed their visit," he said.

Editorial Comments on Plan

Kuala Lumpur UTUSAN MALAYSIA in Malay 15 Oct 85 p 8

[Text] The current economic and financial recession drove the government of this country to study the size of the public service staff. With means now available, the government clearly cannot add to the number of civil servants now employed. Rather, it has found that it is too costly to support the 880,000 officials and civil servants now employed. It is thus forced to grant a far smaller salary increase than what had been requested by the trade unions.

The government clearly had no choice but to reduce the number of its civil servants. This was weighed by the minister responsible for public services, Datuk Khalil Yaacob said yesterday in Terengganu. Will this force the government to release employees as was done by several electronic firms in Pinang Island and in a number of other places in Malaysia?

The answer is no, and those involved, of course, are happy with the guarantee offered. Actually, discharging employees is only one way of reducing manpower although it is a very sad thing to have to carry out. A more honorable way can be found, for instance by paying suitable compensation to those discharged.

An even better way is to stress the dismissal of those who are almost ready to retire by offering them an attractive retirement bonus.

However, in the case of the public sector, it appears that there will not be a wholesale reduction in force because the government has decided to carry out the reduction in force through the privatization of certain government positions.

This is not all. Qualified workers involved who would ordinarily receive a pension under a government scheme, usually those who have served for more than 10 years, are guaranteed a pension when they retire from their new positions. Clearly, no one should contest the efforts of the government in view of the prospective benefits to be received. Rather, employees who may be separated or who do not want to enter the private sector should be grateful because they are guaranteed a job, and they will not meet the same fates as their counterparts in the private sector.

In addition, we believe the government will also offer the employees in government departments or agencies, whose positions have been privatized, an opportunity to obtain shares as was done in the case of the Malaysia Airline Company (MAS). By becoming shareholders, the employees should not feel they are merely jobholders but should really work for the advancement of the company in which they are shareholders. If that company makes a profit, they as shareholders will share in the profits.

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CSO: 4213/42

COMMENTARY OPPOSES IMPORTATION OF FOREIGN LABORERS

Selangor KIN KWOK DAILY NEWS in Chinese 23 Aug 85 p 2

[Commentary: "Strictly Forbid the Importation of Laborers Forthwith"]

[Text] On the 20th of this month, our country again signed an agreement with another country--Bengal--to facilitate the importation of Bengali farm laborers. Previously, our country had also imported large numbers of Indonesian and Filipino laborers. Whether we need so many foreign laborers at the present stage of development is open to doubt.

Although Deputy Prime Minister Musa Hitam once said that our country is facing labor shortage because our people are not interested in low-paying construction, plantation, and farm work, we are still at a loss as to what reasons or principle our government has based on for pursuing an open-door policy toward foreign laborers. The government's argument is hardly credible. It is not a wise policy to import large numbers of foreign laborers, especially at a time when our country is facing a recession and our unemployment rate is on the rise.

Ever since several years ago when the waves of world economic recession hit our country, many of our primary products have been stagnant in foreign markets, while their prices have plummeted on account of trade protectionism imposed by various countries. The steep drop in prices has resulted in massive reduction of production of our economic lifeline products, such as rubber, tin ore, and palm oil, even down to the point of bankruptcy of certain firms. Many workers have been forced to change their line of work. With our economy in a state of stagnation, many firms have laid off their employees, creating a situation of "the gruel is meager and the monks are many." There has not been enough work to go around, and under such a situation, our country's unemployment rate has been steadily increasing year after year.

Now that our neighboring Singapore is facing economic recession and its construction industry is slowing down, our laborers are bound to be affected, which in turn would worsen our unemployment problem.

We presume that our government thoroughly understands our country's current situation, yet why does it import foreign workers?

Leaving aside for the time being the scourge of these foreign laborers to our public order, their wresting of jobs from the hands of our own people alone already constitutes a big problem. At the same time, these foreign laborers are exempted from paying taxes while enjoying all kinds of facilities in our country; this is most unfair to our taxpayers. Haven't the authorities ever considered or studied the disgust of our people against the foreign workers' free enjoyment of our country's development, which might even lead to untoward incidents?

More regrettably, the money these foreign laborers earn in our country is not spent here but remitted bit by bit to their home countries. This is a drain of our national wealth, a big loss to our national economy.

At a time when our economy is slack and when other countries strictly forbid immigrants and restrict the importation of laborers, we really are puzzled why we open our doors widely and import foreign laborers in large numbers, and these laborers are detrimental to our society and economy.

Our country is not short of labor; in fact, the opposite is true, we have too many laborers. Yet why do the authorities behave the way they do? If they argue that the facilities found at work sites are poor, or that the wages are too low, and therefore local workers are not interested, this is not a credible reason for our government to import foreign laborers, because this involves a problem of working conditions, and not a question of labor shortage. If by opening the doors to foreign laborers the authorities mean to retaliate against local work force, that would be an unwise decision, the worst thing to do. For the aftermath and consequences would be very serious, and the government will have to pay a heavy price. Haven't the authorities studied the matter thoroughly?

The open-door policy of importing foreign laborers should be reviewed. We must immediately take measures, draw up laws, restrict immigrants, and strictly forbid the importation of foreign laborers before it is too late. This is our hope and expectation of our people as well.

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MALAYSIA

EFFECTS OF TIN INDUSTRY FAILURE EXAMINED

Penang THE STAR in English 1 Dec 85 p 6

[Article by Foong Thim Leng: "Tin Fallout's Other Victims"]

[Text] The death knell for the tin industry also rings for several other industries, directly or indirectly related to mine operations in the Kinta Valley.

These are the foundries, the timber dealers, hardware shops, second-hand goods dealers, oil companies, heavy machinery firms and transport companies, which have grown up over the decades with Perak's mines.

Such companies seem condemned to lose millions of dollars. As mines close down, they have no one to sell their machinery or goods to and no way of recovering money that is owed to them.

Those with large capital are fighting hard with the aid of reserve funds to just cover overhead costs.

Most of the affected companies have cut back production and working hours. Others have simply suspended operations.

Mr Jimmy Loke Yoon Chee, a director of Kwong Lee Yoon Foundry Sdn Bhd, said: "Orders for castings amounting to $100,000 for the dredges and $60,000 for gravel pump mines were stopped when the trading of tin was suspended on Oct. 24."

Mr Loke said many foundries in Perak had been operating on a three-day week after the imposition of the tin quota in 1982 but his company managed to maintain a six-day week for its 220 workers.

It was fortunate in that it does not depend on the mines alone, supplying various other industries as well and hence the need for cutbacks has yet to arise.

However, in happier times, the foundry which has the largest output of iron and steel castings in the country, used to supply the bulk of its castings, impellers and made-to-order gear parts to the mines.

Mr Kong Tong, 50, and his brother Kong Wah, 39, of Chee Woh Foundry in Jalan Lahat, Ipoh, were not so fortunate as mines are their sole clients.

"We did not sell a single piece of casting or pipe this month," lamented Mr Kong Wah. The foundry had averaged $40,000 is sales a month previously.

Mr Kong Wah said sales started to decline last year and his 25 employees had been working a four-day week for the past one year.

"We are now stockpiling our products but we cannot hope to carry on much longer. The workers will be retrenched if all the mines are closed," he said.

Mr Kong Wah said other small foundries along the road had closed down while a large company nearby retrenched 50 of its workers this month.

And several others which major in repairing gravel pumps in Gopeng and Kampar had also wound up.

Some 10 per cent of the hardware dealers in the State are similarly affected because their main customers were tin mine operators.

"Business has dropped by 80 per cent since Oct. 24 for these companies," said Mr Koh Chong Wan, president of the 100-strong Perak Chinese Hardware Dealers Association.

These shops used to supply several thousand metres of water and sand pipes to the mines each month, not to mention other things like nails and steel chains. Their losses run into thousands of dollars a month.

Other hardware shops not so dependent on the mines for business are experiencing a 30 per cent drop in sales.

"One of our members closed shop recently while a few others will not last until the end of the year," Mr Koh said.

Cash flow problems are common and the dealers have stopped taking in new workers entirely.

The mining industry is also a big consumer of timber, accounting for tens of thousands of tonnes of timber to the mines a month before the tin quota was imposed.

(About five tonnes of sawn timber is used to erect an average-size palong and each of the timber dealers sells about 100 tonnes of timber a month.)

Thye Lee Timber Dealers in Menglembu was forced to suspend operations last week after supplying timber to the mines for over 20 years.

The owner, 76-year-old Koo Yin Miow, said: "We only managed to supply an average of 50 tonnes of sawn timber a month to the mines early this year.

"The orders kept declining until there were none at all this month.

"Miners owe us about $70,000 and their business being so uncertain, they do not even dare to issue post-dated cheques."

Mr Koo said it was no use taking legal action because he could not expect mines which had ceased operations to pay up. "Moreover, we have always operated on the basis of mutual trust," he added.

Alternative

In the meantime, he pays his workers three days' salary although they work a five-day week.

The company has retained two clerks and three of its 20 workers to dispose about 1,000 tonnes of sawn timber stock.

Mr Koo said the alternative was to sell to the construction companies but the sector was also hit by recession. And he will face stiff competition from established companies which deal directly with the contractors.

Also affected by the closure of mines are the oil companies which supply diesel to work the machines in the mines.

A gravel pump mine uses about 90,900 litres of diesel a month. At 59.1 cents a litre, the transaction amounts to $54,000.

Thus, the oil companies stand to lose millions of dollars as the mines continue to lie idle.

Already about 150 gravel pump mines in the Kinta Valley have suspended operations in the last month.

A spokesman for an oil company said the tin mines had been the industry's main customers for many years.

"Sales have been halved since the imposition of the tin export quota.

"And with the tin trading crisis, sales dropped by another 30 per cent early this month."

He continued: "We have diversified our sales to the manufacturing industries and the transport sector but we miss the mines because they were our major customers."

At Jalan Bendahara in Ipoh, 10 used parts dealers are feeling the pinch. They have yet to close a single sale with the mines this month.

Partner of Bala Store, Mr M. Vadiveloo, 53, said miners used to buy second-hand water and sand pipes, vehicle spare parts, pulleys, chain blocks and pumps.

He said the dealers were in a dilemma as they did not have the cash to purchase other types of goods to cater for the other sectors. So they're keeping their fingers crossed that trading in tin will resume soon so that they can at least collect the money owed them by the miners.

Problems

Mr Vadiveloo, who has been in the business for 37 years, estimated that he would be able to hang on for three months.

For dealers in lorries and reconditioned excavators, the situation is just as bad.

B & F Holdings Sdn Bhd managing director Yap Booi Lek said he was thinking of branching into selling other vehicles.

Mr Yap said the company did not make any sales to the miners this month and failure to collect debts resulted in turnover problems for the company.

He said some miners and transport companies had stopped paying the instalments on the vehicles they hire-purchased. Income from repairs had dropped tremendously.

Mr Toh Muen Yon, proprietor of the Lee Fong Amang factory near Menglembu, said the closure of tin mines would mean an end for the amang industry.

He said the purchase of amang had stopped as the price of tin was not known.

"We can't submit our tenders for amang as a wrong estimate will result in losses for us," he said.

Mr Toh said most of the amang factories were now working with stock purchased before the suspension of tin trading.

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FUNDS ALLOCATED FOR POWER STATIONS

Kuala Lumpur BUSINESS TIMES in English 28 Nov 85 p 22

[Article by Ahirudin Attan: "$6.5bn to be Spent To Build Power Stations"]

[Text] The National Electricity Board will spend some $6.5 billion under the Fifth Malaysian Plan to build power stations in strategic spots all over the country to boost supply, general manager Datuk Mohamad Jalaluddin bin Zainuddin said yesterday.

It also plans to spend another $150 million a year over the next five years to further improve the transmission system, he added.

Datuk Jalaluddin spoke to reporters after opening a course on the Electricity Act 1949 in Kuala Lumpur yesterday.

He said the government is allocating some $1.3 billion a year for the board to carry out its power plant development projects through 1990.

Datuk Jalaluddin said the NEB will call for tenders soon to ensure that all projects are on schedule. This should prevent delays in the completion of future projects.

He explained that in the past, many plants were not able to be completed and to function in time because of the incompetency of some contractors. That could affect the NEB's financial viability, he added.

Datuk Jalaluddin said several possible locations for power plants have been identified. These include Ulu Terengganu, Sungai Piah in Perak, and Pergau in Kelantan.

Datuk Jalaluddin confirmed past reports that the NEB will only build hydroelectric stations and dual and triple-fired power plants that have the capability to use gas, coal, and oil.

"The NEB will not build any more oil-fired power plants," he added. As reported, this move is an effort to ensure the country's stable energy future by reducing overdependence on oil.

It is also in line with Malaysia's four-fuel strategy through which the government aims to reduce oil consumption by the commercial sector to below 10 per cent by the end of the century.

Datuk Jalaluddin said that consumers, especially in the rural areas, will continue to be plagued by the problem of insufficient electricity supplies in the next five years because of the long construction period for the new plants. Also, the present transmission system lacks capacity to cater to all consumers.

He said the NEB has the capacity to improve the system without having to import foreign technology.

The NEB is also moving quickly to speed electricity to the rural areas with its mini-hydro projects. Datuk Jalaluddin said that to date about 22 mini-hydro projects have been developed. Another 16 mini-hydro projects, to be funded by the World Bank and the Asian Development Bank, will be developed in the next five years.

The mini-hydro projects are the best option for electricity to reach remote areas. Past practices of supplying electricity through diesel stations and temporary supplies are not preferred now because of cost-inefficiency and service problems.

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MALAYSIA

BRIEFS

CALL FOR MODERATE RELIGIOUS TEACHING--The prime minister, Datuk Sri Dr Mahathir Mohamed, says moderate values will prevent extremism from taking root among the Muslims. In this regard, religious teachers play an important part in that they can inculcate the right values among students. They can also help the government in its effort to inject Islamic values in the administration. The prime minister points out that the Kampung Memali incident would not have happened if religious teachers had not misused their position and advocated deviationist teaching. As such, he urges them to promote moderate values among the Muslim community in order to prevent any untoward incident. Datuk Sri Dr Mahathir was opening the 14th annual general meeting of the West Malaysia Teachers' Union in Alro Setar, Kedah this morning. He believes that with their experience and knowledge, religious teachers will be able to contribute towards greater development of Islam in the country. Later, speaking to newsmen the prime minister said he would study the final report of the BMF committee of inquiry before making any comment. The 3-man committee headed by Auditor General Tan Sri Ahmad Nordin Zakaria had submitted the report to Bank Bumiputera Malaysia Berhad. [Text] [Kuala Lumpur International Service in English 0600 GMT 13 Dec 85 BK] /6662

CSO: 4200/395

PAPUA NEW GUINEA

OPM REBELS SEEK TALKS WITH WINGTI

Port Moresby PAPUA NEW GUINEA POST-COURIER in English 6 Dec 85 p 1

[Text] Three leaders of the OPM (Free Papua Movement) were flown into Port Moresby late yesterday in a combined intelligence and Defence Force operation.

They were flown from Kiunga in the Western Province in a chartered Talair Cessna 402, which taxied to the fenced-off Defence Force part of Jackson's Airport.

Two Defence vehicles and a Government ministerial car left the airport soon after and it is believed the three OPM leaders were in one of the vehicles.

The men are Gerardus Tommy, said to be the commander of OPM forces in the southern part of Irian Jaya, his political officer, Aries Wader, and another assistant, David Tiemka.

Foreign Affairs Minister Mr Vagi was briefed last night by his own staff on the latest developments with the OPM, who were interviewed at length at Kiunga.

The three men are believed to have told people at Kiunga that they expected to have an interview with the Prime Minister, Mr Wingti, at Port Moresby.

They want to get support for their bid to be re-settled in another country and travel to the United Nations to put their case for a "genuinely free West Papua."

The three men, all bearded and wearing fur hats, were escorted to Port Moresby by several Government officers, including a Defence Force major, a National Intelligence Organisation operative, and a Foreign Affairs officer.

It is understood they have not been formally detained or charged with any offence.

The Indonesian Ambassador, Mr Soepomo, went to Foreign Affairs to consult the Secretary, Mr Dihua, about the Government's dealings with the OPM leaders.

Meanwhile, a senior officer of the United Nations High Commission for Refugees is expected to arrive in Port Moresby on Monday for talks with the Government.

His visit is believed to be coincidental, but he is expected to be pressed to organise a country to resettle the men as soon as possible, in line with Mr Vagi's wishes.

Senior members of the Government, more sympathetic to the refugees' plight than past governments, are likely to be held in check by the lack of firm policy and the awareness of Indonesian tenderness on the issue.

One experienced coalition leader said last night it was not likely the OPM group's request for an interview with Mr Wingti would be met.

"We cannot meet them properly at any political level as this would be giving them recognition," he said.

The new Government's style of decision-making is to have representatives of each of the coalition partners meet and reach a consensus.

/13046
CSO: 4200/431

PAPUA NEW GUINEA

TOP OPM REBEL IN PNG

Port Moresby PAPUA NEW GUINEA POST-COURIER in English 5 Dec 85 p 2

[Article by Noel Pascoe]

[Text] **A prominent anti-Indonesian fighter, Gerardus Thommy, has entered Papua New Guinea to talk to Government officials.**

Thommy, the so-called southern region commander of guerillas fighting from the jungle for the OPM (Free Papua Movement) arrived at Kiunga, the Fly River township near the Ok Tedi mine, late on Tuesday with two of his supporters.

He is believed to have entered PNG with a proposal to put to the PNG Government, but senior officials were reluctant yesterday to disclose any details.

The Government last night confirmed the rebels' presence in the country, adding that the United Nations High Commission for Refugees had been asked to resettle the three men in a third country.

Foreign Affairs Minister Mr Vagi said: "The Government is satisfied that the decision to resettle them in a third country is in the best interest of PNG, particularly in terms of national security."

He said PNG will not allow its territory to be used for illegal, hostile activities against another country.

Several officers of the National Security Advisory Council flew to Kiunga on a chartered flight on Monday, a move that caught other branches of the Government by surprise.

They visited camps in the Western province, including Kuyu camp, where Thommy and his men first appeared on Monday.

The NSAC group missed him, but were told later that Thommy had sent a message through the Government's Kuyu officer to Kiunga that he wanted to speak to senior representatives.

Thommy said his two men were brought to Kiunga by motorised canoe, a six-hour trip, arriving early Tuesday night.

Government officers said the three were not under detention, although previous instructions had been to arrest and charge Thommy on sight if he entered PNG territory.

His surprise appearance catches the new PNG Government at a difficult time. The Wingti-led Government is still in the process of forming a policy on Indonesia, including its most far-flung province of Irian Jaya.

In fact, the National Security Council was reported to have met yesterday to consider options to put to Cabinet on Irian Jaya.

Eleven of Thommy's "soldiers" in the OPM forces are in jail at Kiunga, while they are being tried for illegal entry into PNG last month after a shoot-out with Indonesian soldiers.

Sources said the 11 fled the border regions, along with the two wounded men.

One was treated at Kiunga and the other, with serious face injuries, was treated at Port Moresby General Hospital.

The 11 defendants are being represented in Kiunga District Court by a public solicitor from Port Moresby Mr Luther Wenge, who has told magistrate Mr G Madu that the men were refugees in fear of prosecution in Irian Jaya.

Thommy and his two followers were believed to have slept in the Kiunga Police Station since their arrival.

They were kept away from the general public and underwent lengthy questioning by Government officers.

/13046
CSO: 4200/431

PAPUA NEW GUINEA TO OPEN EMBASSY IN BEJING

HK191504 Hong Kong AFP in English 1501 GMT 19 Dec 85

[Text] Port Moresby, 19 Dec (AFP)--Papua New Guinea is to open an embassy in Beijing to facilitate business dealings with China, Prime Minister Paias Wingti announced here, the AUSTRALIAN ASSOCIATED PRESS reported.

Mr Wingti, speaking yesterday, said that his cabinet had directed Foreign Affairs Minister Legu Vagi to formulate policy measures for the diversification of the country's foreign relations, AAP added.

Mr Wingti visited China in 1983 while he was deputy prime minister in the previous government and arranged a seven million kina (about 6.8 million dollar) soft loan. Mr Wingti became prime minister after beating Michael Somare in a non-confidence motion on 21 November.

The Beijing office was being set up purely for economic reasons, Mr Wingti said.

"Diplomacy is a vital tool for securing our interests abroad. We therefore need to manage and co-ordinate all our dealings with foreign governments and organizations," AAP quoted him as saying.

Mr Wingti said the possibility of opening other new overseas offices would be considered in the new year.

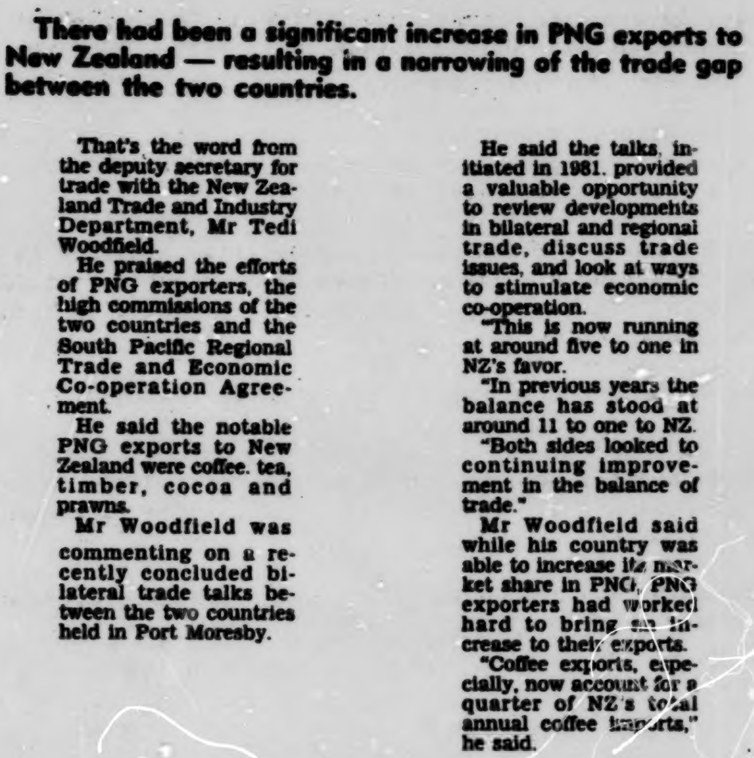
/9274
CSO: 4200/430

PAPUA NEW GUINEA

EXPORTERS SLASH TRADE IMBALANCE

Port Moresby PAPUA NEW GUINEA POST-COURIER in English 6 Dec 85 p 18

[Text]



There had been a significant increase in PNG exports to New Zealand — resulting in a narrowing of the trade gap between the two countries.

That's the word from the deputy secretary for trade with the New Zealand Trade and Industry Department, Mr Tedi Woodfield.

He praised the efforts of PNG exporters, the high commissions of the two countries and the South Pacific Regional Trade and Economic Co-operation Agreement.

He said the notable PNG exports to New Zealand were coffee, tea, timber, cocoa and prawns.

Mr Woodfield was commenting on a recently concluded bilateral trade talks between the two countries held in Port Moresby.

He said the talks, initiated in 1981, provided a valuable opportunity to review developments in bilateral and regional trade, discuss trade issues, and look at ways to stimulate economic co-operation.

"This is now running at around five to one in NZ's favor.

"In previous years the balance has stood at around 11 to one to NZ.

"Both sides looked to continuing improvement in the balance of trade."

Mr Woodfield said while his country was able to increase its market share in PNG, PNG exporters had worked hard to bring an increase to their exports.

"Coffee exports, especially, now account for a quarter of NZ's total annual coffee imports," he said.

/13046
CSO: 4200/431

PAPUA NEW GUINEA

NEW IRELAND GOLD RESERVES ASSESSED

Port Moresby PAPUA NEW GUINEA POST-COURIER in English 6 Dec 85 p 18

[Text] **The Lihir gold deposit in New Ireland is estimated to have ore reserves four times the size of the Ok Tedi "gold cap," figures released yesterday show.**

Ok Tedi has about 34 million tonnes of ore with an average grade of 2.86 grams of gold a tonne.

But Lihir's preliminary reserve has 137 million tonnes of 2.66 grams a tonne.

The figures, without comment, were released on the Sydney Stock Exchange and mark the first definitive outlining of the ore reserves on the island, between Namatanai and Rabaul.

The results were announced jointly by Kennecott Niugini Mining joint venture (88 per cent owned by Kennecott Exploration Australia Ltd and 12 per cent by Niugini Mining Ltd).

The figures cover the coastal and inland zones on Lihir, but not other areas further inland and under the sea.

Joint venture spokesman Mr Geoff Loudon and Mr Geoff Ballantyne said about seven per cent of the total reserve is oxide ore.

Tests had shown that the oxide ore could be leached with cyanide to recover about 90 per cent of the gold, they said.

The rest of the ore is a refractory sulphide ore and needs roasting or some other process before leaching to recover about 85 per cent gold.

The ore estimate was developed by an American firm.

It is based on the results of 65 diamond drill holes totalling 19,200 metres and 159 reverse circulation holes totalling 5518 metres.

Drilling at Lihir indicated "elevated" groundwater temperatures in the deeper parts of the ore body, Mr Ballantyne and Mr Loudon reported.

"However deep diamond drilling has not indicated only steam zones or overpressured zones and has shown temperture gradients to flatten at depth below the deposit," they said.

"Mineable reserves have not yet been determined for the Lihir deposit becuase relevant engineering criteria are still under investigation.

"The deposit is not yet fully drilled out and further drilling is required to fully establish the limits of mineralisation."

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/13046
CSO: 4200/431

PHILIPPINES

ARTICLE CLAIMS POLITICAL VIOLENCE WORSENING

Quezon City ANG PAHAYAGANG MALAYA (SUNDAY Supplement) in English 8 Dec 85 pp 3-5

[Article by Alan Jazmines: "As the world celebrates Human Rights Day on Dec. 10 . . . Look at the blood-stained human rights record of the US-Marcos dictatorship"]

[Text]

To the "silent majority," the Aquino assassination was the straw that broke the back of their silence.

To the forces of repression, however, it was a signal fire that broke whatever were the inhibitions of their guns. For, since the assassination at the Manila International Airport in August 1983, there has been a big surge in politically-motivated massacres, "salvagings" and involuntary disappearances, as well as arrests and detention and other forms of human rights abuses.

To be sure, the trinity of crisis, repression and resistance was already there at the outset; the Aquino assassination only intensified these. What we have is a now irreversible, ascending spiral of repression and resistance — which will end only with the triumph of popular resistance.

The trend is clear from the reports of the Task Force Detainees of the Philippines (TFDP): Political arrests, which numbered 962 in 1980, rose to 2,088 by 1983 and further jumped to 4,168 in 1984. For just the first half of this year, the figure is already 2,371. Involuntary disappearances, which numbered only 10 in 1978, rose to 145 in 1983 and 158 in 1984. For just the first half of this year, the figure is already 117. "Salvagings", which numbered 51 in 1977, rose to 368 in 1983 and further jumped to 538 in 1984. In the first half of this year, 219 have been reported as "salvaged". The same trend holds true with other forms of human rights violations.

At present, there remain some 600 or so political detainees languishing in the various military camps, detention centers and prisons throughout the country, a drop of some 200 from last year. This, however, is by no means an indication of any improvement in the regime's human rights record. Because, on the other hand, the rate of "salvagings" and involuntary disappearances has drastically increased in recent years. In fact, "salvagings" and disappearances have now become so rampant that people suddenly disappear left and right and mangled corpses turn out here and there. Could it be that the present rate of about 700 "salvagings" and involuntary disappearances year more than makes up for the reduced number of political detainees being kept in prison? Has this something to do with the fact that the issue of political detention has increasingly become a source of embarrassment to the regime, especially because of the lot of noise made by political detainees, their relatives and friends and human rights advocates? Has this something to do with the fact that the PDA or Preventive Detention Action has become the subject of criticism from practically all quarters of Philippine society and has become more and more indefensible?

As always, those who have borne the brunt of the violations are the lower classes of society, especially the peasants and workers.

A great majority of those who have directly suffered violations of their human rights are the peasants not only because they are principal hosts in the battlefield being contested by the military and the insurgents, but more especially because they are generally sympathetic to the latter and hostile to the former.

FORCED EVACUATION

The most extensive form of violation of the human rights of peasants is their forced evacuation from their barrios and fields. In some cases, they are forced to "settle" in strategic hamlets or around towns, military garrisons or detachments so that almost every detail of their production and commerce, including the disposition of their produce and even their purchases of commodities for consumption, is tightly controlled by the military in order to prevent such produce and commodities from getting into the hands of the insurgents. These strategic hamlets are virtually concentration camps.

In other cases, though, they are allowed to disperse as long as they do not return to their barrios and fields which the military has converted into free-fire zones, as they have done to Salug Valley in Northwest Mindanao. Victims of such forced evacuations number more than 500,000. In an unpublished report, the Philippine National Red Cross counts the number of displaced peasant families at 1,040,000 (roughly 5,700,000 persons at 5.5 members per peasant household), quite a large figure but it still has to be verified. The sufferings and difficulties the victims of these forced evacuations go through are such that in Midsalip, Zamboanga del Sur, for example, one would find peasant families preferring to sell their children for ₱50.00, actually hoping that by selling them away their children will not starve.

While the great majority of victims of massacres, "salvagings" and involuntary disappearances have always been peasants, followed by workers, this year saw a rise in politically-motivated killings, abductions, arrests and harassment of professionals and others from the middle class (including priests, journalists, lawyers, doctors, etc.), and, for the first time, of human rights workers. The former reflects the increased participation of the middle class in the protest movement these recent years. The latter reflects the degree to which the regime has become so indiscriminate that even those who used to be allowed to come to the defense of victims of human rights violations now find themselves the victims of these self-same violations.

AMONG THE FEW

To mention a few: Lawyers Antonio Arellano, Laurente Ilagan and Marcos Risonar Jr., members of the Free Legal Assistance Group (FLAG) in Davao City, whose order for release issued by the Supreme Court was ignored by the military and later mooted by the Supreme Court itself, still in prison at Camp Bagong Diwa, Bicutan, after eight months and still awaiting their chance at due process in court; Romeo Astudillo and Alberto Benesa, FLAG lawyers in Abra, still in prison after more than eight months; Romraflo Taojo, Davao del Norte FLAG lawyer and TFDP-Davao del Norte worker, shot dead in his house last April 2; Crisostomo Cailing, FLAG lawyer in Misamis Oriental, shot dead last July 6; four other Mindanao human rights lawyers, placed in the military's "order of battle"; Eurocinio Inamarga, TFDP-Aklan worker, shot dead on July 16 by an ICHDF element in Malinao, Aklan; Rizaldy Maglantay, TFDP-Aklan worker, found with 32 stab wounds on August 2 in Kalibo, Aklan after being last seen with military men; Albert Enriquez, TFDP-Lucena worker and member of BAYAN-Lucena Organizing Committee, abducted on August 29 even as he was able to shout out his identity and that he was being abducted by the military, still missing; Dr. Josephine Rances-Tan and Susan Ladlad, members of the Medical Action Group

(MAG) and Kapisanan para sa Pagpapalaya at Amnestiya ng mga Detinido sa Pilipinas (KAPATID) respectively, arrested last Sept. 5 and at present detained at Camp Nakar, Lucena City.

Amid the wide range of human rights violations the Filipino people have been going through these times, even a cursory scan through some of the more significant ones shows the high degree of desperation of the forces of reaction, resulting in such brutality and utter disregard for human rights — and human life, as well:

1. Bursts of gunfire came both from a passing jeep loaded with armed men and from inside the factory gates where military men were stationed with security guards "to protect company properties". Two striking workers of the Franklin Baker Corp. of the Philippines in Sta. Cruz, Davao del Sur, died from the gunfire and at least 10 others, including four women and a child, were wounded. Actually, the strike waged by the Nagkahuisang Mamumuo sa Franklin Baker, the workers' union, had started on New Year's Day. At once, the strikers were shown what military and police power is. The strikers were told by a team of military and police elements to dismantle their picket since the strike was illegal. The military-police team forcibly ransacked the strikers' makeshift camp. A few days later, around 60 armed guards and soldiers forcibly dispersed the strikers with truncheons and brought scabs into the compound, hurting four picketing workers in the process, including a pregnant woman who suffered a miscarriage. This series of violent incidents ominously signalled the year's human rights performance and industrial peace policy of the regime.

WORKERS AS VICTIMS

There have been many other incidents of violent assaults on factory strikers, including the assault on striking ERA Industries workers (two dead, three injured); the assault on striking Blue Bar Coconut Philippines workers (one dead); the assault on striking Filipinas Plastics, Inc. workers (one dead, one abducted by armed men and still missing); the assault on striking Silicon Industries workers (one dead); the assault on striking Sanitary Steam Laundry workers (one dead).

2. A Negros Human Rights Investigation Commission, headed by former Sen. Ambrosio Padilla, scoured the island of Negros for four days in August, interviewing victims of human rights violations — survivors of massacres, relatives of "salvage" victims and missing persons, political detainees, rally participants fired upon by the military, workers locked out of haciendas, a woman raped by her military captors, etc.

The mission report, a 16-page document, was released on Sept. 13 during a "Negros Solidarity Night" jointly organized by the Ecumenical Movement for Justice and Peace and the Task Force Detainees of the Philippines.

The mission documented 22 first-hand accounts of human rights violations within the last six months. Many other cases have not yet been written up.

Sample cases:

Rothelo Antojo, 41, a sugar worker from baranggay Hiyang-Hiyang in Cadiz City, gave this account of his torture at the hands of Scout Rangers and local military informers: "They were not satisfied with beating me and they stripped off my clothes and made me lie down on the floor. Then they sat on my body and trampled upon my back. Two knives were pointed at my neck and some were on my body. They wanted me to tell them where the NPAs are but I could not say anything because I simply don't know since I'm just an ordinary farmer. Then they began hitting me with a 2"x2" piece of wood. I asked them to shoot me instead because I could not stand the beating anymore. They made fun of me and ordered me to masturbate. . ." Antojo identified four of the men who tortured him as barriomates known to be military informers.

Joeven Moneda, 21, and his cousin Ernesto Tuarez, 20, both workers residing at Marana, Binalbagan were reported missing since July after security guards of the Binalbagan-Isabela Sugar Co. led by a certain Sgt. Thomas Augustura of the PC picked them up. In an exhumation which took place in Himamaylan on Aug. 22, the bodies of the two, already in an advanced state of decomposition were unearthed from a four-foot-deep common grave. The hands of the victims were tied behind their backs and their bodies bore numerous stab and bullet wounds.

The report's conclusion: "There are ample evidence to prove the gross and systematic violations of human rights by police, paramilitary and military elements. . . These violations include extra-judicial executions or 'salvagings', massacres of unarmed civilians, disappearances, torture and illegal detention, destruction of houses and other properties, arson and looting, and rape of women." These violations constitute a familiar pattern not only in Negros but throughout the archipelago, especially in the countryside.

3. This can be said to be the year when "squatter-area" demolitions were carried out like military operations against well-armed enemies.

On Feb. 4, police and military troops stormed Pook Ricarte at the Diliman Campus of the University of the Philippines, home to some 1,300 families, and broke up the human barricade of resistance, using truncheons and guns. Twenty-two residents and sympathetic UP students were injured.

On March 6, Quezon City policemen and a demolition team assaulted baranggay Payatas where some 2,000 urban poor families have been living for about 20 years. The job was done quickly, with the police firing Armalite rifles all over the place. About 10 people were wounded in that military assault.

On July 23, at 3 a.m., the police rounded up most of the adult males in the urban poor community of Bolanos Estate in Tatalon. Then some 200 persons, accompanied by a contingent of fully armed Philippine Marines and security personnel of Asialand Development Corp. (reportedly owned by a Marcos son-in-law, Greggy Araneta), entered the area to demolish the houses. Those who were left in the estate, mostly women and children, and a few men who were able to return on time, formed a human barricade to stop the demolition. The demolition crew, Marines and Asialand security personnel attacked the barricade, pincer fashion, firing indiscriminately at the residents with Armalite rifles and shotguns. Two residents died of gunshot wounds, while seven were wounded.

4. This year, 14 mediamen have been murdered. In comparison, only 11 were killed between 1976 and 1984. The sudden rise in the murders of newsmen has so alarmed and agitated journalists that on Press Freedom Day some 500 of them and 30 media organizations led by the National Press Club published an open letter to President Marcos. In the letter, they stated that "many of the victims were apparently slain for their exposes and biting commentaries, and that soldiers, policemen, paramilitary units and hired goons of influential people are the suspects in many of the cases."

MURDER, CENSORSHIP

Aside from the murder of their colleagues, mediamen also have problems with censorship, libel suits, arrests and military "invitations", all of which constitute an infringement on their freedom to write objectively and critically of the government and society.

The case of 10 Cebu mediamen became controversial when the local National Intelligence and Security Authority (NISA) station issued invitations to them for interrogations "in connection with the alleged activities inimical to NATIONAL SECURITY". Actually, they were being suspected by the NISA of being "card-bearing" members of the Communist Party of the Philippines. The group, however, secured a restraining order from the Supreme Court. This has temporarily stopped the NISA from enforcing the summons. PDAs, however, still dangle over their heads.

5. Fr. Tullio Favali, an Italian priest of the PIME (Pontifical Institute for Foreign Missions), was only responding to an urgent note for help from residents of Barrio 125, La Esperanza, Tulunan, North Cotabato where a strafing incident was reported. While inside the house which was strafed, he heard a gunshot. He looked outside and noticed his motorcycle was gone. When he walked off to look for it, he saw that it was in flames and was the subject of jeering and shouting by a number of ICHDF elements around it. Upon seeing Fr. Favali approach, without any word, they fired at him at once. As he fell, more bullets were pumped into his head, splattering his brains on the ground. They then sprayed his body with bullets. They even kicked and stepped on the corpse before leaving.

Actually, the target of the killing was a confrere, Fr. Peter Geremia, also of the PIME, because of his outspokenness against human rights abuses. Unfortunately for Fr. Favali, it was he who responded to the barrio residents' cry for assistance.

The Manero brothers, the principal suspects in the murder of Fr. Favali, are said to be leaders of a roving band of cannibalistic fanatics known as Ilagas. They have very close connections and rub elbows with officials of the military establishment and are used by the military to sow terror among the civilian population as a counter-insurgency tactic.

The grisly nature of Fr. Favali's murder provoked much indignation here and abroad, epecially among church people.

6. Fr. Rudy Romano of the Redemptorist order, executive secretary of the Coalition Against People's Persecution (CAPP) and Vice-President for Visayas of BAYAN, was abducted last July 11 in Cebu City. In reply to the petition for habeas corpus, the government flatly denied that Fr. Romano was in military custody. Even before the habeas corpus petition was filed with the Supreme Court, Minister Juan Ponce Enrile had already denied that Fr. Romano was in military custody. A civilian witness, however, Andres Soson, taxi driver, positively identified Cpl. Wilfredo "Boy" Dagatan, a Military Intelligence Group-7 (MIG-7) operative, as the one who took off Fr. Romano's helmet during the abduction and identified Fr. Romano to the other operatives.

A student leader, Roland Levi Ybanez, also a member of the CAPP and education officer of the Nationalist Alliance for Justice, Freedom and Democracy (NAJFD) in Cebu, also disappeared on the same day in another part of the city. The military also denies any knowledge of his whereabouts. A witness, Feliciana Duran, however, identified a known police character, a certain "Boboy" Aliga, as the one who collected the papers of Ybanez as the latter was struggling with his captors.

7. On Aug. 24, three members of the New People's Army were killed by AFP troops in sitio Beyen, Bakun, Benguet Province. The three NPAs were later identified as Fr. Nilo Valerio (one of four Northern priests who joined the NPA), Resteta Fernandez and Soledad Salvador. However, instead of treating their slain adversaries with respect, as is expected in civilized society, the military victors beheaded the three slain NPAs in barbaric fashion, impaled their heads on bamboo poles, wrapped in green transluscent plastic bags and paraded the heads through several barrios. The heads were finally buried in Sipitan.

The beheading was exposed to the press by "a concerned Igorot" and caused an uproar among human rights advocates, not to mention the families of the three. Local human rights advocates, not to mention the families of the three. Local human rights goups, relatives of the three and members of the media organized a Fact-Finding and Retrieval Mission to exhume the gravesites of the heads. But before the mission reached the gravesites, the heads had been stolen and most probably disposed of somewhere else.

The military, for its part, insists that the slain rebels were given decent burials. Up to now, however, the government and the military have not been able to produce the bodies of the three. Nor have the government and the military been able to explain the whereabouts of the corpses despite their claim of decent burial.

8. The case of the three Davao human rights lawyers -- Antonio Arellano, Laurente Ilagan and Marcos Risonar Jr. -- is a well-known example of how the court's jurisdiction over political detainees and the judiciary's independence from and equality with the executive branch of government are a fiction under the present dispensation.

SUPREME COURT

The Supreme Court itself became an object of derision when its order of May 23 awarding custody of the three to the Integrated Bar of the Philippines (IBP), "immediately executory", had been unceremoniously disregarded.

Speaking before the Foreign Correspondents Association of the Philippines, Chief Justice Felix Makasiar himself admitted the powerlessness of the court "to enforce its orders to release certain political prisoners". He said the reluctance of the military to release those political prisoners is justified by the powers of the President to decide exclusively on national security issues. Makasiar explained that President Marcos "has the power to preserve the state. The courts do not have these powers. He has all the Armed Forces for that purpose. The defense and maintenance of peace and order are all under him. The courts do not have these agencies." Brig. Gen. Dionisio Tan-Gatue, Regional Unified Command XI chief, has insisted that he will not release the detained lawyers "until so ordered by my commander-in-chief".

Although the military tried to plug the loophole in the legality of the Davao lawyers' detention by railroading a rebellion charge against them, which was filed on May 27 in Davao City without the benefit of any preliminary investigation, the Supreme Court's order for their release theoretically stood. But since the military was determined to have its way, court order or no court order, the Supreme Court had to be the one to make an about-face and thus on Oct. 21, even without judging the merits of the case based on facts and arguments concerning the legal technicalities of their arrest and detention, it rendered the detained lawyers' habeas corpus petition and therefore also its own order for their release moot and academic, supposedly because of the rebellion charge filed against them. In short, the Supreme Court backtracked and withdrew its own order for their release and the military once again had its way.

But even if a belated charge of rebellion had been filed against the detained lawyers, and in spite of the fact that they have been demanding to be returned to Davao and have been insisting on their right to a speedy trial, up to now the three have not yet been given their day in court since more than six months ago when the charge was filed in a Davao regional trial court.

There are many more cases where the court has ordered the release of political detainees after finding them not guilty, after charges against them had been dismissed or after granting them bail. But in all cases, their release has actually depended ultimately on the military and the President and, if ever they were released, it was only after a long delay of several months.

In the various military camps, detentions centers and prisons throughout the country, political detainees continue to await the time when the military would finally heed the court's order of their release.

9. The Escalante carnage can be considered the most serious violation of human rights committed by the Marcos government in recent years. So gross was it that it will remain in the collective memory of the nation for quite a long time.

In this massacre, which occurred on the eve of the 13th anniversary of the imposition of Martial Law, the larger part of a 10,000-strong crowd of unarmed Welgang Bayan demonstrators was fired upon by CHDF elements, using rifles and an M-60 machine gun perched on top of the Escalante town hall. As rallyists were being felled by gunfire, the rest of the demonstrators crouched on the ground or ran towards different directions for cover. CHDF paratroopers, however, pursued the fleeing demonstrators and continued firing at them. The bloodbath lasted 15 minutes.

Twenty-seven persons — mostly displaced sugar workers and their kin -- have been confirmed killed. More than 30 were wounded, some seriously. At least 197 demonstrators have been reported to be missing and are feared to have been killed in the pursuit through the cane fields.

Medical examination of those killed and wounded reveal the callousness and brutality of the killings: In most cases, bullets entered through the head, nape, shoulder, scapular region and other higher parts of the body and exited through relatively lower parts of the body, or else entered at the back and exited at the front of the body, indicating that most of the casualties were either in a prone position, crouching, or were running away from the source of gunfire. All these belie claims by the military that they only fired in self-defense.

As if the military had immediately forgotten about Escalante, whose wounds were still very fresh, in Iloilo on Oct. 23 another Welgang Bayan demonstration was violently attacked by heavily armed soldiers backed by two armored personnel carriers. Barricades set up by more than 3,000 demonstrators were forcibly dismantled by truncheon-wielding troopers. At least 70 persons were injured, 25 of them seriously. About 13 demonstrators were arrested and 65 others have been reported missing.

10. Who would have thought that the brutal treatment of demonstrators in a far-away cacique country in Escalante would soon be repeated in urban Metro Manila?

But it was. Last Oct. 21, the police carried out a violent assault on a 10,000-strong march of unarmed peasants and sympathizers to Liwasang Bonifacio, ramming 7 to 15 mobile patrol cars through the ranks of the demonstrators, lobbing tear gas at them and chasing them with gunfire. The 15-minute assault led to the death of two demonstrators and serious injuries to 13 others Most of the injuries were caused by gunfire. Forty-six other marchers have been reported missing.

BAYAN officials of Central Luzon and Metro Manila were convinced that the violent attack on the Kilusang Magbubukid sa Pilipinas march was premeditated. In fact, the day before, they arrested two agents provocateur – ex-convicts instructed by the police to infiltrate the ranks of the marchers, instigate violence and thereby disrupt the peaceful rally. BAYAN official revealed that the police operation aimed at disrupting the peasant march was codenamed "Oplan Big Bite".

Such a maddening upsurge in the scale, spread and brutality of human rights violations in the country can only push a hungry and pained people to the limits of their patience. If the Aquino assassination of two years ago was the last straw for the once "silent majority", what can so much further state violence lead them to? The Filipino people everywhere are crying out for justice, for freedom, for peace. But what has to be done for them to attain justice, freedom, and finally peace?

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COLUMNIST SEES ISOLATION OF POLITICIANS FROM MASS MOVEMENT

Quezon City ANG PAHAYAGANG MALAYA in English 9 Dec 85 p 4

["9 PTS 12 EMS" Column by Marichu C. Lambino: "Not Surprising"]

[Text] So this was it.

We had anticipated the Sandiganbayan acquittal result, but some were expecting it after the snap elections, when the regime would have had its "mandate," to realize its first goal of consolidating its camp. But then again, consolidation is an entire process, which covers the period before, during, and after the elections. There is no more opportune time to restore the Ver camp to its former ascendancy than now; which means the regime desperately needs this relatively strong block within the clique for the elections. On the other hand, the goal of "depoliticizing" or "deradicalizing" the opposition and the sectors of society which have been politicized in the aftermath of the Aquino assassination is well falling in the timetable of the regime. Instead of joining the massive outrage over the acquittal results through the protest actions and noise barrage held by a wide segment of the population, the politicians have raised to a more shrill pitch their call to join the regime in holding the elections. How militant can one get.

The regime intends to win back the politicians to its fold and to isolate the cause-oriented mass movement, with the end in view of crushing it ultimately.

But the mass movement moves on, surges forwards, asserting the rights of the people, demanding justice for all victims of political repression, and expressing indignance over the rampant violation of human rights in the Philippines. The students were among the first ones to respond. Here is a sampling of the united response of the studentry, voiced out by the National Alliance of Student Councils in the U.P. system (Katipunan ng mga Sangguniang Mag-aaral sa UP) headed by U.P. Manila student council chairman Blanche Mirandilla, KASAMA UP Vice Chairman Francis Pangilinan, and Student Representative to the Board of Regents and UP Diliman chairman Chito Gascon:

Brazen is perhaps the word to describe what happened. In the middle of all our classes, or meetings with friends and colleagues, news of the acquittal of all the main suspects in the killing of Sen. Benigno Aquino, all 26 of the conspiracy, was broken to us. Not having recovered from the disbelief, we were met hours later with the news that the highest officer of them all was reinstated as Chief of Staff of the Armed Forces of the Philippines.

The acquittal directly contradicts

the Agrava Board findings based on voluminous evidence, after mounting public pressure, that a military conspiracy was behind the killing of the senator.

But it directly confirms what the people have been saying all along, that no justice will be voluntarily given by the regime. For not even the widow of Sen. Aquino believed in participating in the trial.

We in the Katipunan ng mga Sangguniang Mag-aaral sa UP (KASAMA SA UP), a national alliance of all UP student councils, are indignant over this brazen act.

Whether one is a student of the arts, the sciences, business administration, economics, engineering, law, mass communication, and other fields of learning, one cannot help but feel disgust over this desecration of what the popular cause-oriented movement has been clamoring for two years since the assassination of the senator: Justice for Aquino, Justice for All victims of political repression.

We remind the regime of what the United Nations prophetically declared:

"Whereas, it is essential, if man is not to be compelled to have recourse, as a last resort, to rebellion against tyranny and oppression, that human rights must be protected by the rule of law." (Universal Declaration of Human Rights, United Nations General Assembly).

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'PROTEST DIARY' ON LIBERATION THEOLOGY, OPPOSITION UNITY

Quezon City ANG PAHAYAGANG MALAYA in English 8-9 Dec 85

["Lipad Diwa" Column by Sylvia Mayuga: "A Protest Diary"]

[8 Dec 85 p 4]

Time, a female Sandinista once said, is foreshortened in revolutionary periods, one moving experience following another with such speed clock-hours tick by no longer with the number of minutes but with the contraction and expansion of the human heart itself.

Take the first seven days of December, 1985 in Manila recorded in a personal diary.

Dec. 1 – EMJP "People's Court," St. Joseph's College, early afternoon. Another gripping "movie" with eyewitnesses' and survivors' accounts of bombing and strafing in Zamboanga del Norte, strafing in Cagayan de Oro and Surigao, massacres in Pampanga, Negros Occidental and Davao del Sur, rape and murder in Leyte, naming military officers and CHDF elements. More innocent civilians caught in crossfire.

5:30 p.m., Sto. Domingo Church – Cory's "proclamation at the altar." Yellows, pinks, reds and purples converging at the communion rail. How can anyone ignore an election campaign that begins like this?

Dec. 2 – Threw up today, literally, after a hypnotic three hours of following the Sandiganbayan decision on Ch. 7, crooked legalistic reasoning falling like the slimy frogs in that old fairy tale, from the full red lips of Clerk of Court Menita Nazario. Crescendo of horror, watching Ver proceeding direct in starched khaki to Apo Ferdie for reinstatement and new battle orders. How many vomited today?

Dec. 3 – 1:30 a.m. today, Apo signs Cabinet Bill No. 7 into Batas Pambansa 883, under cover of darkness as it were. Signal for MABINI to file their Supreme Court petition, one in a total of nine, questioning this new "law's" constitutionality. At the same time, the AFP's four command chiefs appear in Malacanang for their new integrated "counterinsurgency" planning, probably the same hour that Cory finally put on the "political warrior's battle tunic." Announcement of her candidacy at Mondragon House press con, set to music by the ATOM geniuses. B., M. and R. responsible reporters all, cannot hide their tears. Reminds me of N.'s dilemma last Sept. 21, 1983 – whether to write notes for her article or to raise a fist in protest.

Meetings with everyone all afternoon, "boycott unless" and "participation if" getting scrambled to "boycott if" and "participation unless." Successful impromptu noise barrage by BAYAN and others. Pandacan and Sampaloc the most successful, it seems. The streets are so honest, worth more than all that million-peso legalese of Agrava and the Sandigan. Tonight's contrapuntal cry: GUILTY! GUILTY! CORY! CORY! (Invented by Alex.)

Dec. 4 – The phone did not stop ringing today, Everyone still absorbing twin shocks.

Dec. 5 – The Community Fasters for Justice come up with the best protest statement-paid advertisement. On Business Day's p.10, an obituary for Justice in the Philippines. Points keep getting sharper, creativity rising. Old Hindi Ka Nag-iisa pins, gold letters already peeling off, resurfacing all over town along with the black armbands. The call: Interment of Justice in Every Filipino's Heart.

Joel Tabora, S.J. wore one of these armbands today at the Third World Studies jampacked sympo on "Christianity & the Philippine Liberation Movement" at the UP Faculty Center ampitheatre.

[9 Dec 85 p 4]

Fr. Joel Tabora, S.J., said at the Third World Studies forum last Thursday that Marxism is atheistic while Christianity is centered on an "experience of Christ." I asked him what he thought of Padre Boff's definition of Christ as a "volcanic eruption" among the poor hungering and thirsting for justice. Dodong Nemenzo pointed out that Christ is not the point of debate; that words mean little apart from praxis. Mario Bolasco wanted to know whether those 40,000 deutschmarks slashed off by the funding agency Misereor from the BCC-CO's and given to the Active Non-Violent Resistance people was not a political act.

Later, hopped over to the nuns and priests at the usual place for another full-house talk-show sympo on snap elections. Fely Aquino as moderator would give Julie D. a run for her money if TV weren't a hundred per cent controlled. Discussants were Mar Canonigo for BANDILA, J.V. Bautista for BAYAN and Bobit Sanchez from, but not for, the Batasan. It seems that despite differences in emphasis, tactics and numbers, the cause-oriented rainbow could come together very well indeed on this new campaign towards what Bobit calls a "Transi-Cory Government." Mar says BANDILA drafted Cory's program. J.V. wanted to know why old politicians always think "elections are the last chance." Bobit denies being an old politician, says we must try even if we're cheated.

Dec. 6 – another noise barrage, nationwide this time. Results still incomplete. There seems to be some trouble, says F., on the Marcoses inviting themselves to the Dec. 8 church rally for Mary at the Luneta.

Dec. 7 – A discussion on whether the US is ready to junk Marcos. A call from P. and N. for Friday the 13th at the Colegio de Sta. Rosa, Bel Air III. It seems KAAKBAY, Gabriella, CAP, MABINI, ATOM, Fasters, Kalayaan elements want to "Dart the Dictator Down" in a "cheap thrills project" called KAKASA KA BA? From 6:00 to 10:00 p.m. for P20, a chance to test the dart-throwing arm on dictatorial and "cronyc" targets. A good way to keep an eye on the target.

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TFD TALLIES ABUSE AGAINST RIGHTS ADVOCATES

Quezon City ANG PAHAYAGANG MALAYA in English 9 Dec 85 pp 1, 6

[Article by Desiree Carlos]

[Text] From January to September, 1985, 17 church people were killed; 26 arrested; 10 were abducted and remain missing; three were harassed; six arrested and detained; a church was strafed; two priests were put under surveillance after a military raid on the church office; and one church center was raided.

Since 1979, 24 journalists have died violently with two others still reported missing and presumed to be dead. Most of the cases remain unsolved, 13 cases of which occurred in the first 9 months of this year. In at least five cases, the military's hand was evident, as shown by statements of witnesses and fact-finding missions conducted by the National Press Club of the Philippines.

In 1977, lawyer Hermon Lagman was abducted and remains missing to this day. Starting late last year, the wave of harassments against human rights lawyers intensified with three gunned down; two are in hiding due to subversion charges lodged in a provincial court; six are said to be included in a Preventive Detention Action which has yet to be released; four lawyers are in an order of battle (the military's arrest and liquidation list); five are detained and facing subversion or rebellion charges; one still has a Presidential Commitment Order (the PDA's predecessor) hanging over his head; three were in the hit list of paramilitary forces slain by rebels in Bataan; one was arrested but released later; and two others were slapped with subversion charges.

In the medical sector, one doctor treating poor folk in rebel-infested areas was arrested and slapped with a PDA and subversion charges, while another was included in a still-to-be-released PDA.

In almost all cases cited, the accusing finger was positively pointed at military and paramilitary forces.

Priests. Nuns. Churchworkers. Journalists. Doctors. Lawyers.

They, who religiously monitored human rights abuses and extended assistance to victims, are now themselves the targets of a "systematic state of terrorism and repression."

Sr. Mariani Dimaranan, chairperson of the Task Force Detainees of the Philippines, said the harassment against human rights advocates is part of the government's counterinsurgency program and is thus aimed at "sowing fear among the people," especially dissenters.

In its latest Human Rights Update, TFDP noted that "A new trend has obviously taken firm root in the military's repression campaign: to dissuade those who are specifically battling state terror, and crush those uniting against intensified repression."

Free Legal Assistance Group chairman Joker Arroyo observed that the military and government's ire is now directed at human rights lawyers because "they have complained about our system of justice which, instead of being used for the protection of the citizenry, has become the very source and instrument of oppression and repression of the people."

Arroyo also recalled what Supreme Court former Chief Justice Felix Makasiar said in 1980 when he did not know yet that he would head the highest tribunal in the land.

Makasiar said "A tyrant who wants complete and absolute control over the people, will first seduce and eliminate lawyers and thereafter destroy the courts. This tragedy must be averted."

The Medical Action Group also reacted strongly to the newest military policy of including physicians in its list of "threats to national security."

Last Sept. 5, Dr. Josephine Rances Tan was arrested by military men with KAPATID (an organization of detainees' relatives) worker Susan Ladlad. They were issued a PDA despite the fact that subversion charges have already been filed against them and six others last Aug. 21.

The six other persons in the subversion charge are: lawyers Eucides Acevedo and Jun Flores; TFDP workers Leonor Sevilla, Augusto Carlos and Ed De Luna; and peasant leader Rey Carandang.

MAG, in denouncing the recent attack on the medical sector, said doctors, nurses and other medical practitioners cannot deprive people of medical services due to their suspected political beliefs.

In a primer on harassment against church people, the Promotion of Church People's Rights on the other hand, said the wave of killings, arrests, torture and other harassments against the church sector serves, in effect, as an ominous warning to other church workers to refrain from helping the needy or oppressed.

Sr. Mariani said that human rights advocates are all the more needed today, despite the fact that they are fast becoming a part of the list of victims.

TFDP statistics show that 17,723 persons were arrested and detained from 1977-June 1985; 1,434 torture cases were confirmed from 1983-June 1985; 2,255 cases of extra-judicial killings from 1973-June 1985 were recorded; and 344 disappearances from 1977-1983.

Such statistics are expected to grow, Sr. Mariani said, "as the people continue to resist oppression and repression and the dictatorship insists on holding on to power."

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COMMERCE CHAMBER HEAD SCORES GOVERNMENT ROLE IN BUSINESS

Quezon City ANG PAHAYAGANG MALAYA in English 9 Dec 85 p 7

[Article by Ma. Rose Ocampo: "'Out!' Business Tells Gov't"]

[Text] **The business community the other day reiterated its demand that the government get out of economic activities that are adequately serviced by the private sector.**

Businessmen also said the government should speed up its avowed program to sell government-owned or controlled firms to private owners.

"The government has transformed itself into a big businessman," complained Felix Maramba, president of the Philippine Chamber of Commerce and Industry.

Increasing government involvement in business makes investors hesitant in undertaking new ventures, he said.

Speaking at the annual meeting yesterday of the Philippine Economic Society, Maramba complained that contrary to a free enterprise economy, the government meddles with the market mechanism and has entered all areas of business activity previously adequately handled by the private sector.

He accused the government of controlling of economic variables such as the peso-dollar rate, interest rate, prices and wage rates.

He criticized the government's venture into trading, distribution, manufacturing and other areas traditionally reserved for private enterpreneurs.

Maramba cited the case of government corporations like the Philippine Coconut Authority, Fertilizer and Pesticide Authority and the National Steel Corp. which he described as "blatant instruments of intervention" considering that they directly compete with private business while their operations are being sustained through government subsidy.

Moreover, over 50 per cent of the total resources of the financial system is controlled by government banks. Government pressure is also increasingly being felt in agriculture, mining, manufacturing, trading, transportation and housing.

Maramba also denounced the government policies and pronouncements which he said are "not credible, realistic and consistent." For one thing, he pointed out, the government continues to acquire foreclosed properties and to form new although unnecessary corporations in almost all of its ministries and agencies.

He said that businessmen, through the PCCI, have pressed for the removal of the exclusive monopoly of certain government and quasi-government agencies on the importation of raw materials and the marketing of finished products to enable the private sector to compete under the same set of conditions.

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MANILA PC, POLICE PURGE REPORTED

Quezon City ANG PAHAYAGANG MALAYA in English 9 Dec 85 p 2

[Article by Bobby Burgos]

[Text] The Constabulary Metropolitan Command, including the metropolitan police force, have taken positive steps to purge their ranks of undesirables and misfits particularly those involved in "gun-for-hire" activities, hijacking, carnaping and robbery incidents.

The "house cleaning" move aptly called "Oplan Walis" calls for the creation of individual committees within each Metrocom or police unit to investigate involvement of their members in criminal activities.

The overall chairman of "Oplan Walis" is Col. Emiliano Templo, Metrocom chief of staff.

In organizing "Oplan Walis" Malaya sources disclosed Col. Templo and other ranking AFP officers were apparently alarmed by the rising incidence of military and police involvement in illegal activities.

Templo reportedly cited in a confidential report some factual instances of military and police shenanigans such as the aborted P42 million-smuggling in Atimonan, Quezon, wherein a number of AFP personnel and officers were said to have been involved.

The Metrocom chief likewise recalled the "Boy Villegas" carnaping capers where several alleged military personnel were identified as protectors of Villegas.

The Villegas syndicate was finally busted by intelligence operatives of the Bureau of Land Transportation.

A number of armed robbery in band cases have also been traced to certain military and police operatives allegedly with the protection of their superiors in the service.

Some of the reasons cited by Templo in the breakdown of discipline and integrity among some of the military personnel are the "Bata Bata" or patronage system and the tendency of some law enforcers to live beyond their means. —

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RETIRED MILITARY OFFICERS GROUP JOINS NAMFREL

Quezon City VERITAS in English 8 Dec 85 p 7

[Text] THE Last Watering Hole, Inc., an association of retired military officers among whom are 27 generals, 198 colonels, and other ranking officers headed by Major General (ret.) Antonio de Veyra, has joined the National Citizens Movement for Free Elections (NAMFREL) as a participating organization.

In a resolution passed unanimously during their anniversary meeting, the group pledged to remobilize its membership in spite of their retired status "to serve the country and the people once more in the crucial task of helping ensure that the coming election is clean and honest.".

This is in keeping with the aim of the association to "preserve during the golden years of its members those ideals and principles for which they have served the best years of their lives in the service of the Armed Forces and the nation: honor, integrity, courage and loyalty."

Earlier, in a talk before the association, Jose Concepcion, Jr., NAMFREL national chairman, emphasized the need for upholding loyalty to the Constitution among the members of the military establishment.

"Loyalty must be directed to the Constitution, not to any individual or group of persons," he said.

Concepcion explained that the duty to support and defend the Constitution consists also of the duty to preserve the sanctity of the ballot since it is through elections that the people exercise their sovereignty as guaranteed by the Constitution.

He pointed out that "ensuring clean and honest elections must continue to be an integral part of the military heritage in this country."

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NEW GROUP REPORTS VIOLENCE AGAINST TRADE UNIONISTS

Quezon City ANG PAHAYAGANG MALAYA in English 9 Dec 85 p 2

[Article by Joey Salgado]

[Text] The upsurge in labor militancy has also resulted in an alarming increase in strike-related killings and other assaults against organized trade union groups in the country.

This was revealed yesterday in a labor conference sponsored by the newly-formed Center for Trade Union and Human Rights (CTUHR) attended by union presidents and representatives from labor alliances and federations.

In a workers' manifesto approved by the conference, the CTUHR said some 81 workers have been killed nationwide in defense of their trade union and political rights, 80 of them victims of alleged military rubouts.

Twenty unionists and organizers are still missing, while 132 workers are currently detained in various military detention camps nationwide for violating national security laws, the CTUHR added.

Lawyer Luis Flores, co-chairman of CTUHR, said the intense attack on organized labor this year is unparalleled in the history of the Philippine labor movement, and added that these assaults are the reaction of "repressive capitalists and the Marcos government" to renewed labor activism.

The labor ministry records place the strike count at 342 from January to October, thus far the highest strike count compared to 282 last year and an average of 120 strikes since the 1960s.

The workers' manifesto also enumerated the "basic trade union rights" which the country's labor force should enjoy:

- Decent and humane wages; the right to work; the right to form unions and affiliate with organizations of their choice; the right to free collective bargaining, the right to strike, clean and safe working conditions; job security; adequate restdays; and the right to education.

Flores added that workers should also enjoy adequate protection of their social and political rights, which include the right to cheap but decent housing; free medical and recreational facilities for the worker and his family; free education for his children; unemployment subsidy from the government; freedom of belief and worship.

The labor conference also called on government to recognize the workers' right to free speech and assembly; the right to join political organizations; the right to use public facilities and social services; and the right to participate in the formulation of government policies and legislations which will affect the working class.

The CTUHR said it will embark on a program of documenting cases of labor repression, along with a nationwide education program to make workers aware of their rights.

The conference also passed four resolutions calling for an end to trade union repression, the release of all worker detainees, justice for all victims of repression and the "propagation of genuine trade unionism."

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INDUSTRIALIST CRITICIZES GOVERNMENT ECONOMIC RECOVERY PROGRAM

Quezon City VERITAS in English 8 Dec 85 pp 5, 6

[Speech by Jaime C. Ongpin, president of Benguet, Inc., delivered before the Financial Executives Institute of the Philippines, 28 Nov 85, in Manila: "Recovery? What Recovery?"]

[Text] MADAME President, Distinguished Officers and Directors of Finex, Fellow Beneficiaries of the Non-Existent Recovery, Ladies and Gentlemen:

I would like first of all to thank your president Cora dela Paz and her fellow officers of FINEX for giving me this opportunity to address you once again. The last time I addressed FINEX was in March of 1983, when I attempted to frighten you into doing something about the CDCP bailout because it involved what then appeared to be the staggering sum of P7 billion and had the potential of undermining the integrity not only of the Philippine National Bank but ultimately of the entire Philippine financial system. I stated then that "I have often heard it said that 'the government would never allow PNB to fail,' but if the government continues to impair the capital of PNB by massive condonation of billions upon billions of loans to distressed companies, the question that must be asked is: can the government in fact *prevent* PNB from failing? "

Well, that statement was made only 2½ traumatic years ago, and I do not need to remind you that our problems have since escalated almost a hundred fold from what now seems the puny sum of P7 billion, into the equivalent of roughly P600 billion of unsustainable foreign debts. And not only has PNB become virtually bankrupt in the meantime, but the entire Philippine financial system has indeed become very seriously undermined. But I did not come here to try to frighten you again – especially since many of us have already crossed our collective threshold of fear and are now "beyond fear," so to speak.

My assignment this morning is to speak to you about "A Program For National Recovery" from the viewpoint of the private sector. Since I am told that you have invited Prime Minister Virata to address you at lunch on the same subject, I am sure that a copy of NEDA's "Primer on the Economy Recovery Program" will be distributed to you by the PM's staff sometime before or after his address. The primer is a curious document, because the first page begins by stating that "The economic recovery program is a *comprehensive* plan to address the *basic causes* of the prevailing economic crisis." (Underscoring supplied.)

I call it curious because that is the first and last time in the entire 31-page primer where there is any reference to the *basic causes* of the prevailing economic crisis. Nowhere else in the primer are these basic causes even mentioned again, much less identified, discussed or analyzed. And while the program is described as a *comprehensive plan,* nowhere in the plan will you find even a passing mention of what is to be done about *restoring investor confidence.* And yet in the opinion of most of my friends in the private sector, the restoration of investor confidence is the *sine qua non* of any realistic economic recovery program.

It is very tempting for someone like me to tear into the specific components of the government's Economic Recovery Program and engage in an extensive critique of what is wrong with each policy and each prescription. But that job has already been done by the same group of UP economists who had previously published what has since become a widely-acclaimed "White Paper" analyzing the economic crisis. The net assessment by the UP economists, as published in Business Day on September 30 condemns the government's recovery program as "anti-private sector, anti-poor, against comparative advantage, and inconsistent with sustainable long-run growth." In lieu of the government's program, the UP economists have recommended, among other things: limiting our foreign debt service to 10% of exports, repudiating foreign debts which were based on fraudulent transactions, more effective regulation of the banking system, reorientation and strengthening of the role of the Central Bank, adopting an undervalued foreign exchange rate policy, imposing a uniform 35% duty on imports for the short term, pursuing comprehensive tax reforms, privatization of state-owned enterprises, increased regulation of multinational enterprises, reallocating government expenditures in favor of basic services, a more liberal policy towards labor unions, and limiting government intervention in the economy.

Rather than duplicate the work of the UP economists by prescribing a third set of alternatives, I would prefer to focus on the two vital "missing ingredients" in the government's economic recovery program which I cited at the outset.

Let us begin with the basic causes of the economic crisis, and consider why it is essential to identify and understand these causes in order to have a meaningful and workable recovery program.

Although the NEDA primer is silent on the subject, prior official pronouncements by the government have consistently characterized the basic causes of our economic crisis as *external* in nature and beyond our ability to control, e.g., the government has blamed the oil crisis in the late 1970's, the subsequent recession in the industrialized nations in the early 1980's, the prolonged weaknesses in commodity prices, the LDC debt crisis precipitated by Mexico, Brazil and Argentina, and finally the assassination of Senator Benigno Aquino.

While it is certainly true that all these factors have had a significant impact on our economy, and most of them, with the exception of the Aquino assassination were beyond our ability to control, these very same external, uncontrollable factors, again with the exception of the assassination, have likewise afflicted all our neighboring countries in Southeast Asia. Why is it then that none of these countries have had to default on their foreign debts, nor to face an economic crisis of the magnitude and severity the Philippines has experienced for the past two years? And why have none of these other countries fallen victim to an indigenous communist insurgency that is escalating by leaps and bounds? Is it simply because these other countries were spared the national trauma and ensuing panic precipitated by the Aquino assassination? Or do the causes of our unique tragedy have deeper roots which we need to delve into and to examine, if we are to understand what caused our current crisis and if we are to begin to devise an appropriate recovery program?

For my part, I submit that there are deep-seated, fundamental causes that go beyond the external factors cited by the government and beyond even the Aquino assassination, and unless these fundamental causes are addressed, I do not see how any kind of sustained recovery can be achieved. I have said it before, and I will say it again: the fundamental causes underlying our present economic crisis can be classified as structural, cultural and political.

Our structural problems emerged right after WW II, when we began a forty-year effort to put our industrial cart before our agricultural horse. Instead of investing our scarce capital and credit resources to improve agricultural productivity and build a strong consumer base among the rural communities which constitute 70% of our population, we plunged headlong into one series after another of ill-conceived "instant industrialization" programs premised on the concept of import substitution.

By misallocating excessive amounts of our very limited capital to these ill-conceived industrial investments, we have consistently deprived the agricultural sector of the wherewithal to grow, to diversify, and to consolidate a firm foundation upon which to construct a viable industrial superstructure, as every developed nation in the world had to do a long time ago, and as our more successful neighbors like Japan, South Korea, Taiwan, and more recently Thailand and Malaysia, have done.

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FIRST LADY'S PROJECTS TOP LIST OF ECONOMISTS' PEEVES

Quezon City ANG PAHAYAGANG MALAYA (SUNDAY Supplement) in English 9 Dec 85 p 7

[Text] The First Lady Imelda Marcos' highly-publicized socio-economic projects topped the list of government programs disliked most by professional economists.

Imelda's Ministry of Human Settlements was also seen as the worst performer among 11 government agencies concerned with economic welfare. The Central Bank was seen as the most improved agency.

These are among the findings of an opinion survey conducted by the Philippine Economic Society among its members, mostly professional economists from the academe, the government and the private sector.

The most liked government projects were in energy and agriculture.

Among the First Lady's projects that caught the economists' unfavorable attention were the Kilusang Kabuhayan at Kaunlaran, Sariling Sikap, BLISS housing program, and Pag-IBIG.

Majority of the PES members also believe that the government is highly neglecting the major issues of wages, employment, taxation and government spending although the government management has improved in the areas of foreign debt, exchange rates, interest rates and consumer price control.

Sixty-three per cent of the respondents said MHS' performance has worsened while 50 per cent said the Central Bank has a better quality of performance.

Majority of the respondents said there has been no improvement in government efforts to address problems of red tape and excessive control and encroachment on private enterprise.

Even the private sector is perceived to be timid in responding to these criticisms.

Almost three-fourths or 74 per cent of the respondents sees President Marcos' power to legislate by decree as being inherently unfavorable to economic welfare.

Moreover, 61 per cent of the respondents said the government's spending as a percentage of the gross national product or the value of total goods and services produced within a period is too large.

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PHILIPPINES

DIMINISHING COCONUT PERFORMANCE, OTHER DEVELOPMENTS REPORTED

Quezon City ANG PAHAYAGANG MALAYA (Sunday Supplement) in English 8 Dec 85 pp 7, 14

[Article by Annabelle S. Cueva: "Renewed Grumblings Within The Coconut Industry"]

[Text] "Why write about the coconut inudstry?" a lawyer from the Philippine Coconut Authority asked just as I was about to do some preliminary research regarding this subject. Unprepared as I was, and finding no better reply, I just answered back with another question: "Well, why not?"

Yes, why not? After all that's been written about sugar and rice and almost anything else. Coconut continues to be one of the top dollar-earners of the country. Philippine coconuts account for up to 80 per cent of the world's total supply. More or less 15 million Filipinos, a full fraction of the population, are dependent on this industry. And its importance to the Philippine economy was even further underscored last year when PCA chairman Rolando de la Cuesta was elevated to ministerial rank and member of the Cabinet.

Yet not much as been written about the coconut industry lately. Only a few years ago, it was considered as one of the most controversial issues of the day. There were accusations of monopoly and cronyism against those who were supposedly in charge of rationalizing the industry. Also, there were allegations to the effect that the coconut levy then imposed was being used to further strengthen such monopoly control. But somehow, all these died down through time and got swept away by the Aquino assassination and the many other issues that have cropped up ever since.

Perhaps now is the time to look once again into this vastly important industry. Quite a number of developments have already taken place here since the time when so much fuss was being made about the coconut levy and alleged monopoly control by people linked to the current administration. Performance-wise, not much looks good either. Export earnings are down. The volume of coconut exports have likewise dropped. The farmers are grumbling about low prices agian. And if reports are true, some of them are even contemplating of resorting to farm strikes if only to negotiate much fairer prices for their produce.

Clamor For Reforms

Quietly, the government has been recently instituting measures concerning the coconut industry in response to the persistent clamor for reforms from various quarters. In 1982, President Marcos abolished the coconut levy. Early this year, he issued PD 1960 allowing all coconut oil millers and exporters to sell their produce to the world market. This, in turn, led to the formal dissolution of the United Coconut Oil Mills (UNICOM), the agency accused of monopolizing the export and trading of coconut products.

Then there was the recent reorganization of the PCA Governing Board which was implemented only last October. In place of super-businessman-ambassador Eduardo Cojuangco who had all earlier resigned from the PCA, two more government representatives - namely, Minister of Economic Planning Vicente Valdepenas and Board of Investments governor Herminigildo Zayco - were appointed to the PCA Board.

Not much noise was made against these moves by government, but there is a widespread perception nonetheless that these were all inspired by the International Monetary Fund and the World Bank which had been pressuring the Marcos administration into initiating reforms in both the coconut and sugar industries.

If reports are true, such policies are presently contained in a revised letter of intent submitted to the IMF, since supposedly they formed part of the conditions for the release of the third tranche of the IMF credit facility which would probably be next year, and also that of the WB agricultural loan. In particular, what the IMF-WB reportedly wanted was not only the dismantling of existing monopolies, but also the reorganization of the sugar and coconut regulating bodies in such a way that the members would ostensibly have no private business interests at all in these industries.

For his part, Minister de la Cuesta denies that recent reforms in the coconut industry had anything to do with IMF conditions. He maintains that such policies were based on studies made jointly by the PCA and the National Economic Development Authority and with respect to the reorganization of the Governing Board, this was done mainly to enhance its regulatory function, and balance the participation of the private sector in the formulation of policies governing the coconut industry. He concedes, though, that IMF conditions may be "in accordance with this reorganization" and such other policies of the PCA.

In any case, there are those who still believe that these reforms undertaken by the government are but cosmetic changes designed to appease the public's demand for genuine reforms. For instance, speculations persist that with the formation of nine separate coconut trading companies by the United Coconut Planters Bank in the wake of the dissolution of UNICOM, the same people nevertheless will be practically controlling the entire industry. Under the provisions of PD 1960, these firms may be allowed to form their own cooperative which will engage in the buying and selling of coconut products, and since they have long been firmly entrenched within the industry, the UCPB group could very well ease out any prospective challengers to its domain.

Likewise, farmers' groups connected with the militant Kilusang Magbubukid sa Pilipinas point out that any attempt to institute reforms in the coconut industry should being with the redistribution of land and resources - in other words, the implementation of "genuine land reform" covering all coconut plantations. As it is, the KMP members say, even with the dissolution of UNICOM and the resignation of Cojuangco and Lobregat from the PCA Board, monopoly still exists in terms of land ownership and resource distribution.

Meanwhile, Minister de la Cuesta dismisses such allegation as baseless. He continues to insist that no monopoly existed in the coconut industry now or before, that the UNICOM was just an "umbrella organization," and that under PD 1960 everybody is now free to export on their own.

Poor Performance

Logically, amidst the backdrop of low supply due to relatively low production, an opening of the coconut industry would lead to higher prices for the farmers. This, however, didn't turn out to be true in this case. Following the dissolution of UNICOM, millgate prices of copra were slashed by more than half from an average of P9 per kilo last year to as low as P3 to P4 in just a matter of weeks. In a few more months, this went further down to a level of only P2 to P2.50 per kilo.

One factor that could partly explain this kind of a situation is the sharp decline of the prices of coconut products in the world market recently. The prices for coconut oil which takes up a major portion of coconut exports, for instance, went down by as much as 60 per cent from around 44 to 45 cents a pound last year to only about 17.5 cents this year. Because of this, as of the third quarter of this year, export earnings of the coconut industry fell by up to 34 per cent to $405.271 million form $620.854 million during the same period last year.

Total coconut production is expected to increase by about 27 per cent from around 1.4 million metric tons last year to about 1.8 million metric tons by year-end. But this is still below the country's normal production capacity which is at 2 million metric tons and even much less than the effective milling capacity of about 3.5 million metric tons. Besides, the increase in coconut production was not enough to offset the decline in world market prices as export volume likewise dropped by 6 per cent to only 810,661 metric tons during the last nine months of the year compared to about 862,405 metric tons in the same period last year. The government thus really had no choice but to trim its own forecast for the coconut industry from a 10 per cent growth projection to a 15 per cent deadline by the end of 1985.

In the end, it is the poor coconut farmer accordingly who is suffering most. According to Ed Bacsain, an officer of the Bicol Coconut Planters Association, Inc. which is affiliated with the KMP, in the barrio-level, copra is being bought from the farmers for as low as only P1 per kilo while in the town-level, farmgate prices would go up a little to between P1.30 and P2 per kilo, He says that for a one-hectare of land planted to coconut, a farmer could usually get around 300 kilos of copra worth P300 at the barrio-level within 45 days, but two-thirds of this will have to go to the landlord as rent.

On top of this, the farmer still has to pay for labor costs (for the panunungkit, pagtitipon, pagbubunot, pagbibiyak, paglulukad, pagkokopra, paghahakot, and pakain) which all in all would most likely go even higher than the remaining P100 worth his share of copra. Thus, Bacsain said, coconut farmers are actually registering losses because of the very low price of copra at present. If it were not for the fact that coconut farmers plant other crops aside from coconut, he added, they would probably be starving just like their counterparts in the sugar industry.

On the part of the government, De la Cuesta explained that the PCA could not just control the price of copra, in order to help the farmers. He added that perhaps because of the situation, the dissolution of UNICOM could be considered as ill-timed. He points out that UNICOM was established primarily to check excess milling capacity in the coconut industry which has resulted in "cut-throat competition" to the disadvantage of the poor coconut farmers.

"When we shifted into what we call a free enterprise system (with the dissolution fo UNICOM), the brakes so to speak of the decline in price were no longer there," he said. "The intermittent exporters tended to depress prices because they do not care at all that they would be buying copra at a very low price."

Periodic Cycles

According to De la Cuesta, because of the volatile nature of the world market where coconut oil has to compete with the other fats and oils, the coconut industry undergoes a periodic cycle where at times, prices are good and in other times, they are very low. He, however, favors stable and reasonable prices for our products since naturally this would attract more buyers, and as long as there is more production, this would also mean higher income.

"I dread the day when prices are too high because that merely benefits a small sector of the economy," he says. "What I would want to see is a stabilization of prices, an increase in production so that even if world market prices are relatively low, if a farmer can sell more production-wise, then he is better off than (in) a feast-or-famine situation."

Thus, the thrust of the PCA is to try to increase coconut replanting program, by which old and senile trees are being replaced by the new hybrid variety which is actually across between the Malaysian dwarf and the African tall. "Experiments show that given the same inputs as the local variety, hybrids can produce twice as much," De la Cuesta claims.

However, there are farmers who feel that more production would mean higher labor costs and thus lead to their further ruin. For Bacsain and the others in the KMP, what could really help the farmers at this time, at least in the short term, is for the government to subsidize the procurement of coconut products, and perhaps, in the long term, effect land reform in the coconut industry.

Unfortunately, there seems to be no sign whether the government will ever move in this direction. Until then, expect the farmers to be increasingly restive as their grumblings mount in this already highly controversial industry.

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THAILAND

POLL NOTES PREFERENCES, DISINTEREST IN BANGKOK RACE

Bangkok MATICHON SUT SAPDA in Thai 10 Nov 85 pp 10-12

[Unattributed report: "Will Chamlong Manage to Win?"]

[Excerpt] As election day approaches, the political atmosphere is becoming more and more intense. Many people are discussing this and making guesses about how the election will turn out. The Matichon Company Ltd and the Social Research Council of Thailand have been interested in this since the very beginning and so we have joined together to conduct a public opinion poll on the coming election in Bangkok Metropolitan.

This poll was conducted during the period 11-26 October. A total of 989 people were polled, 582 men and 407 women. A random sample was taken among people from various occupational groups. The sample included 207 civil servants, soldiers and policemen; 195 students and teachers; 166 private and state enterprise officials; 146 merchants and businessmen; 95 housewives and laborers; and 180 people engaged in independent and service occupations.

To gain a representative sample of the views of the people of Bangkok Metropolitan, people in all 24 districts were randomly sampled. On the average, 35-45 people from each district were included in the sample. The data were compiled using computers. The people of Bangkok were found to have various differences of opinion, as will be discussed below.

This poll did not focus on the question of who will win the election because the National Statistical Office has already conducted a poll on that. Rather, this poll focused on what people from various occupational groups think about this election.

The Governor of Bangkok Metropolitan in the View of the People

The people were asked what qualifications the governor of Bangkok should have. The majority of the people (56.9 percent of the people surveyed) said that he should be a professional administrator. This was followed by "government official," 12 percent; "businessman," 11 percent; and "soldier," 10.5 percent.

Looking at opinions by occupational group, the majority in all occupational groups said that the governor should be a professional administrator. But besides this, "government official" was the choice of many housewives and laborers; "policeman" was the choice of many students and teachers; "businessman" was the choice of many people in independent and service occupations; and "soldier" was the choice of many soldiers.

As for why the people of Bangkok wanted such people to serve as their governor, 53.3 percent said that they would make good administrators, 25.2 percent said that they had suitable qualifications, 9.2 perent said that they were already wealthy and would not engage in corruption, and 5.0 percent said that they were in the same occupational group [as the respondent].

However, the most important condition was that the governor must be elected. Ninety-six percent of the respondents wanted the governor of Bangkok to be elected. Only 2.9 percent of the respondents wanted the governor to be appointed. Broken down by occupational group, it was found that a higher percentage of merchants and businessmen than members of other groups wanted the governor to be appointed. Also, a somewhat higher percentage of women than men wanted the governor to be appointed.

Almost Half Don't Know the Facts

The poll found that almost half (45.3 percent) of the respondents did not know anything about the election. In particular, women in the housewife and laborer group knew very little about the election.

The things that they did not know included how many candidates there were and to which party, or group, the candidates belonged. Some respondents did not know the date of the election. This reveals the weaknesses in the public relations activities. If we want more people to exercise their right to vote, public relations activities should be stepped up.

One thing that clearly shows the failure of public relations activities is that many respondents did not know how the roles and duties of the members of the Bangkok Metropolitan Council differed from those of the members of the district councils. And they did not know who the candidates are.

However, when asked how having district councils would benefit the people, even though the respondents did not answer confidently, they did give an opinion on the advantages and disadvantages of having such councils. That is, 30.2 percent felt that electing district council members meant electing representatives to protect the interests of the people; 27.4 percent felt that these people would help the people play a great role in administering their own affairs; and 19 percent said that this seemed like a more democratic system. But there were others who held negative views. That is, 8.8 percent of the respondents felt that this would lead to greater favoritism in administration; 5.1 percent felt that this would interfere with administration; 7.5 percent felt that the election would not benefit the people; and 0.5 percent said that they did not know anything about the district councils.

Increasing Indifference

The government officials and units are very concerned that few people will exercise their right to vote. Thus, it will be necessary to use various tricks to get the people to vote. Some precincts have started contests to see who can guess which precinct will have the largest voter turnout. Whoever guesses right will win a prize. It's like guessing on the outcome of a soccer match or competing for one of the many consumer goods prizes.

Our poll showed that approximately 39.8 percent of the respondents planned to exercise their right to vote; 29.2 percent did not plan to vote; and 30.2 percent said that they might vote. An interesting point is that those who said that they plan to vote might change their mind.

Those who said that they do not plan to vote gave four main reasons for their decision. They do not plan to vote because this will not bring any changes for the better (32.5 percent); they are not interested (28.4 percent); the election is on a working day (18.7 percent); and none of the candidates is sufficiently qualified (6.2 percent).

The reasons cited reveal various things about the role of the governor of Bangkok Metropolitan in the eyes of the people. They also reveal things about the people themselves, about setting election dates on working days and about the candidates. But the interesting point that is probably the basic reason is the role of the governor in the eyes of the people. When the respondents were asked about the work of the previous administrative team, only 6.6 percent said that the previous team had achieved very good results; 46.1 percent said that the previous administrative team did not dare make decisions; 43.6 percent said that the team did not achieve any visible results; and 1.5 percent said that the team had scored only a few achievements.

These views should make the new governor stop and think about what his roles and duties should be with respect to the people. He should not think that the fact that few people exercised their right to vote means that the people are not interested in what he does. The fact is, the people are very interested. If the new governor can score achievements, this may result in a larger voter turnout the next time.

The People Still Like Democracy

The question that everyone is interested in is: Which candidates have a chance of being elected? In this poll, respondents were asked to name the candidate who they think has the best chance of winning the election. They were also asked to give a reason for this.

Mr Chana Rungsaeng, a Democrat Party candidate, was thought to be the person most likely to win. He was followed by Maj Gen Chamlong Simuang, a member of the United Force group. Third was Police Maj Gen M.R.W. Chetchan Prawit, a member of the Thai Prachakon Party. Fourth was Mr Mongkhon Simarot, a member of the Bangkok Progress group.

Divided by occupational group, 43.3 percent of the independent and service workers, 42.1 percent of the students and teachers, 41.8 percent of the merchants and businessmen and 28.3 percent of the private and state enterprise officials thought that Mr Chana Rungsaeng would be the winner. As for Chamlong Simuang, 31.3 percent of the students and teachers and 29.0 percent of the civil servants, soldiers and policemen thought that he would win. The trend for M.L.W Chetchan Prawit was strongest among the civil servants, soldiers and policemen--35.7 percent. There was no clear trend for Mr Mongkhon Simarot among any of the occupational groups.

These responses can be used as data to make predictions about the results of the election. But the outcome is still very unclear. The poll was taken 3 weeks before the election, and during that time many things could happen to change people's preferences. During the remaining three weeks, the campaign will become very intense, and this will have a great influence on the decisions of the voters.

The respondents cited a variety of reasons for why they plan to vote for a certain candidate. Here, we will discuss only the two leading candidates who seem to have the best chance of winning. These seem to be the candidates worth watching.

The respondents cited three main reasons for voting for Mr Chana:

1. He is the candidate of the Democrat Party. At present, the Democrat Party is gaining great popularity among the people of Bangkok. This is because this party has done more things than other parties to win the approval and admiration of the people.

2. He has engaged in many public relations activities and campaigned widely. Wherever you go, you can see his campaign posters. This has increased his visibility among the people.

3. He is a capable administrator. He has achieved many things in administering things. Also, he has had previous experience in administering the affairs of Bangkok Metropolitan.

Maj Gen Chamlong Simuang has a good chance of winning the election for the following reasons:

1. He seems to be a very honest person. Also, he is a resolute person who is not afraid to speak out and act. He would be less corrupt than the others.

2. The people view him as a moral person who is very strict about following the precepts and who has curbed his unwholesome desires.

3. He is gaining the confidence of more and more people. In particular, his supporters are using new campaign methods, and these have caught the attention of the people.

The People of Bangkok Still Have Faith in the Political Party System

It can be seen that the people are interested in these two candidates for different reasons. One is popular because of his affiliation with a political party. In the second case, the people are interested in the candidate himself. This result is in harmony with other statements made by the respondents. That is, 53.3 percent said that they would vote for a candidate who belongs to a political party, 26.3 percent said that they would vote for an independent candidate and 15.7 percent said that they would vote for a candidate who belongs to a group. These figures were similar for all the occupational groups.

The respondents cited many reasons for voting for a candidate who belongs to a political party. But the main reasons were:

They have confidence in the political party system and believe that this will lead to real democracy.

The political parties have clear policies. People work together. This will help coordinate development at the national level.

Some people plan to vote for the candidate of a political party because they like the party's policy or have faith in the party leader.

The reasons cited for voting for an independent were:

He will be able to implement his own policies. His decisions will not be dominated by a party or group.

He will have freedom of action that will enable him to balance the power of the political parties that participate in administering Bangkok Metropolitan because of having members on the municipal or district councils.

The reasons cited for voting for candidates who belong to groups were:

People will work as a team. The governor will not be under the influence of a political party but will not be isolated like an independent candidate.

The person will have greater independence in making decisions. In administering things, there should be fewer disputes than in a political party system.

The poll showed that over half of the respondents who preferred a political party system favored Mr Chana Rungsaeng. Those who preferred the group system favored Maj Gen Chamlong Simuang and Mr Mongkhon Simarot. Approximately half of those who preferred an independent candidate favored Maj Gen Chamlong Simuang.

Good Campaign Methods

The final conclusion that can be drawn from this poll is that 53.0 percent of the respondents want the candidates to discuss what policies and plans they will implement if elected; 39.6 percent prefer campaigns in which the candidates mix among the people.

However, there are still some who prefer the old campaign methods. That is, 3.7 percent like debates in which the candidates sling mud at each other. Another 2.8 percent are not interested in the campaign and just want the candidates to hand out money. A tiny 0.2 percent are interested in using results as a campaign tool.

The Matichon Company Ltd and the Social Research Council of Chulalongkorn University wanted to present the results of this public opinion poll in order to show the people's views on the race for governor of Bangkok Metropolitan. Whether our analysis is right or wrong is not the important thing. Rather our goal has been to stimulate everyone concerned to improve their policies and correct their weaknesses. We sincerely hope that what we have written will stimulate those who are indifferent to the election or who do not plan to vote to exercise their right to vote. As for who is actually elected to serve as the governor of Bangkok Metorpolitan, that is up to the people to decide.

11943
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THAILAND

POST ARTICLE ON CONSTITUTIONAL REFORM

BK100305 Bangkok BANGKOK POST in English 10 Dec 85 p 4

[Article by Somnuk Phetphrim: "Democracy That Never Was; Time for Constitutional Reform"]

[Text] Commemorating the 50th anniversary of the Constitutional Government on June 24, 1932, Air Chief Marshal [ACM] Harin Hongsakun, in his capacity as the then President of Parliament, spoke via the government radio station to the nation in straightforward terms:

"Our early set of Constitution, which was taken as the specimen of the subsequent ones, was hurriedly prepared, without much care. No attention was paid to the custom, tradition, mentality and way of life and living of our people. Those who were educated in Britain preferred the British system for our use and tried to follow it. Those who were educated in France preferred the French method and tried to do the same. Those who were educated in America preferred the American way and tried to adopt it. Thus our constitutions leave our country with all sorts of confusion and problems. If it is possible for us to create a Charter which is compatible with our custom, tradition, mentality and way of life and living of our people, the undesirable confusion and problems will cease. Our country and people will enjoy peace and happiness."

The former parliamentary president but it fairly mildly but he made it amply clear and loud to the entire populace that the written Charters we have had so far, includng the one in force, are not workable and not suitable to govern us. They have caused us a lot of troubles. They are not the assets but liabilities to our country.

It must be agreed and accepted, however, that his is the voice of authority concerned. A pity it was not heard. It is an excellent proof to substantiate my submission that a comprehensive reform of our written Charter is now due. In fact, it is long overdue.

Apart from ACM Harin Hongsakun, there [word indistinct] prominent figure who suggested constitutional reform. His unique position as the one who was responsible for preparing the early set of Constitution made his suggestion unchallengable. In his life time, he had made attempts to translate his suggestion into reality but it was in vain.

Since his suggestion was not in black and white, we have to digest his statements published in the ASIAWEEK magazine (December 28, 1979-January 4 January 4, 1980). He lamented his early mistake because he was inexperienced. Without experience, he sometimes applied his theories dogmatically. He did not take the realities of his country into account. He admitted that he did not have sufficient contacts with the common people and did not take the human element into consideration. His book knowledge did not help him much.

On being asked whether he was satisfied that Siam was as constitutional and democratic as he would like her to be, he made it quite clear that he had to uphold democracy and had to resist the Fascist faction from taking over the country and bullying the Crown in a similar, if not the same, way as did Mussolini to Italy and King Emmanuel.

In reality, he did défend the Crown from threat and humiliation by the element on many occasions. Those who have access to the court case re: The Public Prosecutor vs the War Criminal Defendants, tried by the Supreme Court, and peruse the evidences given by some of the very important witnesses would understand instantly that the well-being of the Crown was indeed fragile.

He had great respect for the Royal House of Chakkri. During the period of World War II when Bangkok was the target of air raids, he arranged for most of the members of the Royal Family in the capital to stay in Bang Pa-In Palace, some 50-60 kilometres away from Bangkok, for safety reasons. He went there often to give his personal supervision. On one occasion, I and two other friends had the good opportunity to follow him in case he needed our service. He left Bangkok at about midnight. Finding that all was in order he left the place at about two in the morning of the next day.

On being asked what was his gravest mistake in his life time, he replied ruefully: "When I had power, I had no experience. When I had more experience, I had no power."

What was the implication of the above statement? Was it not a referrence to the constitutional mistake which his book knowledge failed him miserably and which he conscientiously yet earnestly vouched for its reform?

Being a person with a high sense of duty and responsibility, he must have felt the most bitter when he had no chance to make atonement. He knew full well that there were several shortcomings in the Constitution which needed correction but the most notable one was in connection with the monarchy clause, which was not properly incorporated. In his relaxed moments, he must have pondered upon this clause. He realized, after all, that Siam was a kingdom, it was the King and the people that mattered. He became keenly interested in King Chulalongkon's prudent advice (BANGKOK POST, November 11, 1985) to the effect that if the King's royal rights and prerogatives were too much reduced by provision of the Constitution, it would not be feasible to govern the country.

It was a matter of appreciation that he once explained to the Post's own correspondent, the late Claudia Ross, in Paris some years ago that the King should have supreme authority in all affairs of the State but with certain measures of constitutional restraints and limitations. It was not absolute monarchy but limited or constitutional monarchy in the very true sense of the word. This is in happy concurrence with the original notion of His Majesty King Prachathipok, Rama VII, who had the intention to constitutionalise the aboslute powers of the King in protection of rights, freedom, liberty and even life of the people in the unfortunate event the King turned unreasonable and reckless.

But his wish was not fuliflled and he did not live to see the reform made because of his death.

He was Luang Pradit Manutham (Pridi Phanomyong), the former Regent to King Anan, a senior statesman of the realm and leader of the Free Thai Movement.

His life could be called an "unfinished journey." Now it rests with his friends, pupils, colleagues, fellow compatriots and even former rivals to carry out the reform which is, under the prevailing conditions, a matter of utter urgency.

In summary, it must be admitted that the two recommendations for constitutional reform as above elaborated are highly qualified. It would suffice to wake the Siamese people up to see their small yet beautiful country in a terribly bad shape that needs a thorough overhauling.

There is yet another respected voice from the above that causes natural concern to the Siamese people when their King remarked: "I am called a King but my duties are quite different...or difficlut to define...I do things that I think will be useful and that is all..." following the foregoing royal complaint, we have no other alternative except to define the royal functions in our constitution as complete and specific as do the Japanese, Danish and Norwegian Constitution (BANGKOK POST, October 9, 1985).

Is a matter of technicality, Article 2 of the current Constitution stipulates: "Section 2: Prathet Thai has a democratic form of Government. The King is the head of the nation." Such wording as this is abundantly vague and ambiguous. It gives rise to pluralistic interpretations. The situation might be exploited by skill and powerful manipulator. It should be amended to read: "The form of Government of the Kingdom of Siam shall be that of a limited (constitutional) monarchy." We should not avoid this way of phraseology as it is compatible with our custom and tradition.

To employ the phrase "democratic form of Government" might look attractive on the surface but as far as we are concerned, it is the democracy that never was. Besides, the Encyclopedia Americana, 1956 Edition, says: "Democracy is one of the most controversial of concepts. Not only does it have powerful enemies, but even its friends do not always agree about what they are defending. Beyond the common idea that democracy is the popular control of government, there is no universally accepted definition."

Topping it, the King did not say he would reign his realm with democracy, he proclaimed: "We shall reign with righteousness for the benefits and happiness of the Siamese people."

In calling for the formation of an independent non-governmental constitution Reform Council, it does not necessarily mean that the active government officials and officers would be precluded from joining the council. All those who are well versed in constitutional law, custom, tradition and practical experience in legislative works would be invited to join it in their private and personal capacity. And in so doing, I do not overlook the relevance and the potentials of the Government, Parliament and other institutions.

As a matter of fact, I have my submission to reform the present Constitution known in writing to the Prime Minister, the Speaker of the House of Representatives, the Speaker of the Senate and the President of the Supreme Court. I received an encouraging reply from the Speaker of the House of Representatives to the effect that he would take up the matter to house at an early appropriate time. He thanked me as a private person who had interest in the highly important matter of the nation. He encouraged me to make further study on the issue and to cooperate in solving the problems. As the time is pressing and the problem looms larger every day. in the interest of the country, we cannot afford to wait any longer but have to proceed.

As ACM Harin Hongsakun commands the respect of all quarters, I submit that he takes the role of head of the council.

As Professor M. R. Seni Pramot is an ardent admirer of, and an expert on, the Stone Inscription of King Ramkhamhaeng on which we will base our next Constitution, I submit that he takes the role of an adviser to the council.

Since it was on record that H. E. Deputy Prime Minister Buntheng Thongsawat, in drafting the Constitution of 2489 BE (1946) in conjunction with the late MP Mongkhon Ratanawichit of Nakhon Si Thammarat, submitted to the drafting committee to the effect that the soverign powers he vested in the King. His submission was rejected by the Fascist dominated committee. The Deputy Prime Minister Buntheng should have his second chance by joining the council.

The Prime Minister, the Speaker of the House of Representatives, the Speaker of the Senate and the President of the Supreme Court should take the role of ex-officio patrons.

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THAILAND

COMMANDER ON STRENGTH OF SOUTHERN MUSLIM GROUPS

BK150118 Bangkok THE NATION in English 15 Dec 85 p 2

[Text] In what is seen as an attempt to regain political and military strength, the Pattani United Liberation Organization [PULO] early last month announced the formation of a "revolutionary council," a senior military officer said.

The newly-established council aims to intensify the "war of secession" and form an independent Muslim state in the southern part of Thailand, he said.

Commander of the Fourth Army Region Lt Gen Wanchai Chitchamnong told THE NATION that the announcement was made in a Middle East country which has long been known as a major supporter of southern separatist movements in Thailand.

However, he played down its importance, saying: "The formation of such a revolutionary council is merely a propaganda ploy by PULO leaders. To us, it has no military or political significance."

He said the separatist movements suffered a major setback when the government launched a series of military and political offensives against them in accordance with the prime minister's Orders No 66/2523 and No 65/2525.

According to the general, the number of armed secessionists had significantly declined from over 2,000 to about 300 and they have become "bandits."

"These remanents have formed into groups of 5-6 armed bandits robbing and extorting 'protection fees' from people in the southernmost provinces, and local support for them is eroding. They have abandoned their ideology," he said.

Besides, he added, the other two separatist movements, the Barisan National Pembebasan Pattani (BNPP) and the Barisan Rakyat National (BRN), had been liquidated due to the lack of support from local people.

Moreover, Lt Gen Wanchai said, the PULO suffered another setback when Saudi Arabian authorities in February arrested and deported more than 900 people affiliated to the movement. This had hit the credibility and popularity of the organization among southern Muslims.

He said these people had been deceived by PULO while going on a pilgrimage to Mecca. The organization had promised them well-paid jobs in that country in exchange for joining the PULO, said the officer.

Meanwhile, an intelligence source in the Fourth Army Region said the army was closely monitoring the increasing harassment that the separatists are causing to people in southern provinces.

He said the army was planning to deploy additional troops in the area to protect the lives and property of the people and wipe out the last PULO guerrillas from these southern provinces.

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ATHIT WARNS AGAINST 'NEW COMMUNIST THREAT'

BK180115 Bangkok BANGKOK POST in English 18 Dec 85 p 1

[Text] Supreme Commander General Athit Kamlang-ek yesterday warned against a new communist threat and called on security agencies to step up efforts to combat the threat.

Speaking on the 20th anniversary of the Internal Security Operations Comand [ISOC], Gen Athit said the Communist Party of Thailand [CPT] was now concentrating more on political activism following its defeat in the armed struggle.

Gen Athit said the CPT had stepped up its contacts with the people and tried to woo their support.

"They don't call themselves communists any more," he claimed, "but call themselves democrats."

He said communist propaganda had made several people confused as to whether communists were also admirers of the democratic system.

The Army commander said communist party members also actively joined struggles for social justice, leading people to the belief they were not a menance to democracy, but advocates of social justice.

"It is dangerous if people get confused about the true nature of communism," said the general, who said the prospect had to be prevented.

He suggested the launching of a campaign to inform the public about the true nature of communism and urged ISOC officials to build up the confidence toward democratic ideology among the public.

He also warned officials against abusing their authority in such a way that the people would be driven to embrace the communists.

The general admitted that creating understanding about democracy and communism among the public was not an easy task.

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COUP DEFENDANTS' LAWYER ON TRIAL STRATEGY

Bangkok WIWAT in Thai 4-10 Nov 85 pp 12-15

[Interview with Chuchat Silaprat, attorney for Gen Soem Na Nakhon and Gen Yot Thephatsadin Na Ayuthaya in the 9 September 1985 case; date and place not specified]

> [Text] Mr Chuchat Silaprat, age 48, is a native of Yala Province. He graduated from the provincial high school and then entered the Pathumwan Engineering College. He then studied law at Ramkhamhaeng University, graduating with the first class. He passed the bar through the Bar Association's Office of Legal Studies. He is now the president of the Ramkhamhaeng Lawyers' Association and the head of the Silapaniti Legal Office. The case that gained him a reputation was the suit brought against the Telephone Organization of Thailand for firing the director of the TOT, Maj Gen M.R.W. Suttaphan Thawiwong. The court decided that Maj Gen Suttaphan had been fired unjustly. Another well-known case was the bombing of the Ministry of Defense. He served as the defense lawyer and won the case.

[Question] Which of the defendants are you representing in this case?

[Answer] As of now, I have only been asked to represent Gen Soem Na Nakhon and Gen Yot Thephatsadin Na Ayuthaya. No lawyers have been officially appointed in this case. Lawyers will be officially appointed to the case on the day that the questioning of the witnesses begins, that is, on 4 December.

[Question] Who asked you to serve as the defense lawyer?

[Answer] The two generals contacted me directly. Mr Khanung Ruchai and many other lawyers are working on this case, too. In particular, there are several lawyers from Mr Khanung Ruchai's office.

[Question] How many lawyers will there be on your team?

[Answer] Mr Banchop Charoenwiriyaphap is the lawyer for Gen Yot.

[Question] Many lawyers are working on this case. Have the lawyers discussed this case together?

[Answer] Each side is now preparing its case. But I think that in the end, the facts assembled by all the lawyers will be brought together. I am sure that we will gather a wealth of facts even more detailed than those collected by the investigation officials. This will give us unity in fighting this case.

[Question] What can you tell us about the evidence and the method that you will use to fight the case?

[Answer] I have gathered many facts from witnesses. I have talked with generals, lieutenants and sergeants. And I have talked with many civilians. I have also searched for documents and other materials that I can use to fight this case. Most of the evidence has been provided by witnesses. I have questioned almost all the people who were involved in and who took part in the events. I have also questioned people who witnessed the events. I began questioning people even before anyone was arrested. I tried to determine how Col Manun managed to stage the coup without the support of fellow young turk soldiers. That generated questions. After I began trying to find out what had really happened, I was approached and asked to serve as the defense lawyer in this case.

[Question] From what you have learned, can you tell us why Col Manun did not ask other young turks, or members of CRMA [Chulachomklao Royal Military Academy] Class 7, to participate in the coup?

[Answer] I respect Col Manun for having the courage to take this action alone without telling any of his friends, such as Col Prachak. If he had told Col Prachak.... Col Prachak is a real fighter, and he is very loyal to his friends. Col Prachak and Col Manun are particularly close. Manun should have informed Prachak, but he didn't. I think that Manun felt confident about receiving support from some other faction. I respect Manun for his steadfastness. He has lofty ideals and wants to solve the country's problems. But whether he was right in trying to solve the problems in this way is something that will have to be discussed from another perspective.

[Question] They have been charged with violating seven different articles. Can they be sentenced to death?

[Answer] The main articles are articles 113, 114 and 116. Article 113 is the article that calls for the harshest penalties, that is, the death penalty or life in prison. Article 114 calls for sentences ranging from 3 to 15 years in prison. A person found guilty of violating Article 116 can be sentenced up to 7 years in prison.

[Question] You have said that it seems strange that the police have sent the investigation file to Gen Prem. Would you elaborate on that?

[Answer] Based on the Criminal Code, Gen Prem does not have any authority in this case. This just seems somewhat odd. The law stipulates which officials have authority in the case. The law does not give the prime minister any powers or the authority to consider the case files. This has raised suspicions about why he was given the investigation files. After he has been informed and had time to consider matters, I hope that his actions benefit the country and help unify the people of the country as he told the people. Even though he does not have the authority to examine the files, his knowing the facts should be beneficial. This should not hurt anything. At the very least, he will know who his real enemies are.

I want to say that I have enough facts and evidence to prove that the defendants did not do anything wrong. I am sure that Gen Prem knows these facts, too.

[Question] In short, you have a strong case. Is that correct?

[Answer] You can never be sure of having enough evidence until the case comes to an end. The defense lawyer can always bring in more evidence. This is different from the prosecution, whose evidence is gathered by the investigation officials during the investigation stage. This is different from defense lawyers.

As the defense lawyer, my duties are different from those of the state's lawyers. My duty is to investigate matters and fight the case in court. In this respect I may have an advantage over the prosecutor, who must obtain his facts from the investigation officials, or the police, in order to prosecute the case. The investigation conducted by the police may not be very detailed or thorough. And because of the weaknesses in their investigation, it may not be possible to prove that the defendants are guilty or show who is guilty.

Something that I would like people to think about is how the labor leaders, including both those who have been arrested and those who have not been charged, became involved in the events of 9 September 1985. Who gave orders to these labor leaders? Who was behind these labor leaders? Col Manun Rupkhachon and the retired generals did not have any influence over these labor leaders. The details about this may be revealed during the trial.

[Question] Are you sure that someone gave orders to the labor leaders?

[Answer] There had to be someone who gave orders to them. It's not easy to give orders to labor leaders. The person who gave them orders.... Why doesn't that person come forward to protect his people? Why doesn't he show some sympathy for his people?

[Question] Do you think that the 9 September affair involves a "Mong?"

[Answer] I don't like to use the word "Mong." I prefer to use the word "ringleader." The identity of the ringleader has not yet been revealed. But his identity may be revealed during the trial if that becomes necessary.

[Question] If the identity of the ringleader is revealed in court, do you think that this will lead to further turmoil?

[Answer] Personally, I don't want things to go that far unless it is really necessary. As for whether it will be necessary to reveal his identity, the situation in court may make that necessary. It may be necessary to do that in order to show that the defendants are innocent. In the eyes of the law, the "intention" of the defendants is a crucial factor in determining their innocence or guilt.

[Question] During your investigation of the case, you learned that Gen Prem has read the case file. Do you think that he will grant amnesty?

[Answer] I learned about this from the newspapers. I didn't discover this myself. As for whether an amnesty act will be promulgated, I think that the government will weigh both the pros and cons. Issuing an amnesty act probably has both advantages and disadvantages. The government will have to stipulate a policy on how this matter should be handled and what methods should be used in order to issue this act.

[Question] Are you in favor of granting amnesty?

[Answer] I would like people to consider the fact that these generals are all former high-ranking military commanders. They have all worked for the country and done much of benefit to the nation. Almost all those on active duty today were once their subordinates. There are many people in the military who still have great respect for these men. As for the lower-ranking soldiers involved in this case, they, too, have many close friends with whom they have worked closely. The friends of those involved in this case will definitely be affected to some degree. On the other hand, if amnesty or a pardon is granted without good reason, the law, which provides the foundation for governing the country, will be meaningless. The thing that has to be considered is whether we should revise our political principles or our legal principles in this case. I think that the government has a much broader view of this than I do.

On 25 October, I saw the condition of the low-ranking soldiers--brave soldiers of the country--who have been jailed. I felt very sad. If their superior officiers had ordered them to go to their deaths, let along participate in a coup, these soldiers would have obeyed. Seeing this, I wondered what our brave soldiers in the military will think if they are ordered to sacrifice their lives for the country. I would like to ask the prime minister to think about this. He has constantly called for unity in the country. But is he doing anything to foster unity in the present case? I feel that in certain political cases, political principles are just as important as legal principles. Otherwise, there may be a lack of solidarity in the country and military.

[Question] Do you think that it is necessary to reveal everything about this case, which could lead to splits?

[Answer] The duty of a lawyer is to win the case. But all lawyers realize that they have a duty to the nation just like those in other occupations. Thus, if we can win the case without having to harm others, we will not go that far. All we want is for the court to dismiss the charges. If the court finds the defendants innocent, it isn't necessary to accuse others.

I want to repeat that it is not my intention to harm anyone unless that becomes necessary in order to prove that the defendants are innocent. I am prepared to reveal the identity of the ringleader. I am confident that the defendants will be treated very fairly by the court.

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ARMY REASSIGNMENTS, RELATIONSHIPS SEEN IN LIGHT OF COUP

Bangkok MATICHON SUT SAPDA in Thai 6 Oct 85 pp 17-20

[Unattributed report: "The Military Reshuffle in the Wake of the 9 September Rebellion, a New Trend in the Arrangement of the Forces"]

[Excerpt] Army Order on New Assignments for Officers

On 19 September 1985 Gen Athit Kamlangek, the RTA CINC, signed Army Order 887/1985 on officer assignments and pay scale adjustments. Sixteen officers were transferred. Among these are two officers that deserve special attention:

1. Col Bunsong Phatrasongkhram, the commander of the 1st Royal Guards Cavalry Regiment, was transferred to the 1st Military District.

2. Lt Col Phinit Chonphrom, the commander of the 4th Royal Guards Cavalry Battalion, was transferred to the 1st Military District.

This order also directed that Col Praphat Wisutthiphichaiphan, the commander of the 5th Cavalry Regiment, take command of the 1st Royal Guards Cavalry Regiment and that Maj Somyot Khlongwicha, the deputy commander of the 4th Royal Guards Cavalry Battalion, take command of this battalion.

With the exception of the four officers mentioned above, the transfers were effective as of 1 October 1985. As for the four officers mentioned above and their replacements, the order went into effect on 19 September 1985.

In What Way Was Col Bunsong Phatrasongkhram Involved in the Events of 9 September?

Col Bunsong Phatrasongkhram is a member of Chulachomklao Royal Military Academy (CRMA) Class 10. In February 1981 he was appointed deputy commander of the 2d Cavalry Regiment. Following that, he became the commander of the 1st Royal Guards Cavalry Regiment.

Almost all the published reports state that on 9 September, Col Bunsong was one of the officers present at Revolutionary Council headquarters at Sanam Suapa. However, there were later reports that before he went to Sanam Suapa, Col Bunsong sent a report to the government faction informing them that he was going after his subordinates who had taken tanks (THAI RAT, 11 September).

A military news source from Building 602 stated that "between 0700 and 0800 hours, Col Bunsong went to Revolutionary Council headquarters dressed in a camouflage uniform. He was carrying a pistol..."

At the same time, the Internal Peacekeeping Command issued a short report from the 11th Royal Guards Infantry Regiment stating that "at 1700 hours, Col Bunsong Phatrasongkhram, the commander of the 1st Royal Guards Cavalry Regiment, appeared at the Internal Peacekeeping Command. Prior to this, there had been reports that he was one..."

It is thought that Col Bunsong Phatrasongkhram was transferred to the 1st Military District after these events because of his inability to control the troops under his command. Also, his role in the events of 9 September is unclear.

Lt Col Phinit Chonphrom, the Fate of a "Protege of Prem"

Lt Col Phinit Chonphrom is a member of CRMA Class 18. He served as the leader of an armored vehicle platoon with the 19th Cavalry Battalion, which is directly subordinate to the 9th Infantry Division. In November 1973 he was transferred to the 2d Army Area, where he served as a company commander with the 8th Cavalry Battalion, which was directly subordinate to the 3d Infantry Division. At that time, Maj Gen Prem Tinsulanon was the deputy commanding general of the 2d Army Area. He became the commanding general of that army area in October 1974. It is said that Lt Col Phinit became a "protege of Prem" during that period.

After the events of 1 April 1981, he was made the deputy commander of the 4th Cavalry Battalion. He became the commander of this battalion in January 1984. Ever since that time, he has been a member of the "Royal Elephants" group, a group in which Col Phiraphong Sanphakphisut plays a leading role. Then on 9 September, men and tanks from the 4th Royal Guards Cavalry Battalion played a major role in the rebellion.

"The person who ordered the troops to move outranked me," said Lt Col Phinit when questioned by reporters (THAI RAT, 11 September).

Former commanders of this battalion include Gen Prachuap Suntharangkun, Lt Gen Prayat Rotphothong, Maj Gen Arun Priwattham, Col Manun Rupkhachon, Col Narong Charuserani and Col Ut Buongbon. In addition to being associates, these men are all "proteges" of Prem. Today, Maj Gen Arun Priwattham is the commander of the 2d Combat Support Headquarters at Nong Chabok near the home of Gen Prem Tinsulanon. Col Narong Charuserani, who took command of this battalion after Col Manun Rupkhachon, is now serving as the deputy commander of the 5th Cavalry Regiment. This order has now appointed him "staff officer to the commander."

What About Their Replacements?

Col Praphat Wisutthiphichaiphan is a member of CRMA Class 9. He has served as the deputy chief of staff of the 1st Cavalry Division, the head of the Cavalry Center and the deputy chief of staff of the 2d Cavalry Division. He was appointed commander of the 5th Cavalry Regiment in January 1982. The person who will replace him as commander of the 5th Cavalry Regiment is Col Chamlong Bunkraphu, who has been serving as the deputy commander of this regiment. The two officers who have been appointed deputy commanders of the 5th Cavalry Regiment are Lt Col Dusadi Upathom, who was serving as the commander of the 23d Cavalry Battalion, and Lt Col Sipho Paowarat, who was serving as the commander of the 20th Royal Guards Cavalry Battalion.

The Case of Air Chief Marshal Phromthep, a Variable for the Air Force

All three deputy supreme commanders, that is, Gen Bunrit Thanthranon, Admiral Supha Khotseni and Air Chief Marshal Arun Phromthep, went to Revolutionary Council headquarters early in the morning. But only Air Chief Marshal Arun was arrested. And because he is an officer on active duty, he has been detained at the 1st Military District. He will not be turned over to the Special Branch Division. It is thought that Air Chief Marshal Arun Phromthep is in a very difficult situation.

During the events of 1 April 1981, another deputy supreme commander, Admiral Ketu Santiwetchakun, found himself in the same situation. In the end, he was assigned to Supreme Command Headquarters to await retirement. If Air Chief Marshal Arun Phromthep is assigned to Supreme Command Headquarters, this will mean a great change for air force officers. The position of deputy supreme commander is a position for a general at the field marshal level. The person appointed to this position must be a general, air chief marshal or admiral. In April 1981, Admiral Udon Tulayanon was appointed deputy supreme commander and acting deputy under secretary of defense.

At present, besides Air Chief Marshal Praphan Thupatemi, the RTAF CINC, the air chief marshals presently on active duty include:

1. Air Chief Marshal Wira Thaikla, who is attached to the Office of the Under Secretary, Ministry of Defense.

2. Air Chief Marshal Sansoen Wanit, the deputy under secretary of defense.

3. Air Chief Marshal Rewat Wariyaphong, the deputy chief of staff officers.

4. Air Chief Marshal Thuanthong Totawut, the air force chief of staff.

5. Air Chief Marshal Chamnan Phatrayothin, the deputy RTAF CINC.

6. Air Chief Marshal Wathit Holasut, the assistant RTAF CINC.

7. Air Chief Marshal Phisut Rutthakhani, the assistant RTAF CINC.

What is interesting is that if one of the new air chief marshals in the air force is moved up to replace Air Chief Marshal Arun Phromthep as deputy supreme commander, there will be much movement among the air vice marshals.

Watch the Army After August 1986

The October 1985 military reshuffle and the 1-year extension granted to Gen Athit Kamlangek has resulted in the following appointments at the top echelon of the army:

1. Gen Athit Kamlangek, RTA CINC.

2. Gen Chuthai Saengthawip, deputy RTA CINC.

3. Gen Ankhaphon Somrup, assistant RTA CINC.

4. Gen Kamhaeng Chanthawirat, assistant RTA CINC.

5. Gen Chawalit Yongchaiyut, army chief of staff.

A very interesting point concerning these appointments is that generals 2, 3 and 4 will all retire in September 1986. And the extension of Gen Athit expires in August 1986. Thus, in October 1986, the only full general left in the army will be Gen Chawalit Yongchaiyut, the army chief of staff. This means that if Gen Athit is not granted another 1 year extension as RTA CINC, the next RTA CINC will almost surely be Gen Chawalit Yongchaiyut.

If things happen this way, the two officers now serving as deputy army chiefs of staff, Lt Gen Wanchai Ruangtrakun and Lt Gen Cahrat Wongsayan, will probably be promoted to full general. As for the other two slots, Lt Gen Wanchai Chitchamnong, who was appointed commanding general of the 4th Army Area in October 1983, will probably be appointed deputy RTA CINC in October 1986.

The one remaining slot for a full general will probably go to an officer promoted to lieutenant general in October 1984. These include Lt Gen Phisit Mobut, the commanding general of the 2d Army Area, Lt Gen Phichit Kunlawanit, the commanding general of the 1st Army Area, Lt Gen Sunthon Khongsomphong, the commander of the Special Forces Command, and Lt Gen Charuai Wongsayan, the assistant army chief of staff for civil affairs.

The reason for listing them in this order is that Lt Gen Phisit Mobut was promoted to major general and made the commander of the 6th Infantry Division in October 1980. Lt Gen Phichit Kunsawanit was promoted to major general and made the commander of the 1st Royal Guards Infantry Division in April 1981. Both Lt Gen Sunthon Khongsomphong and Lt Gen Charuai Wongsayan were promoted in October 1981, Lt Gen Sunthon to the position of commander of the Army Aviation Center and Lt Gen Charuai to the position of commander of the 1st Military District. This is based on their date of promotion and their position. No political or "upper cloud" factors have been considered.

Transfers, Politics Leads the Military

Ever since the events of 1 April 1981, there have been some very interesting military partnerships within the military, particularly the army. Lt Gen Pamot Thawonchan was transferred from the Office of the Under Secretary of Defense and made the army chief of staff, and Lt Gen Athit Kamlangek, the commanding general of the 1st Army Area, was made the assistant RTA CINC while serving concurrently as the commanding general of the 1st Army Area.

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ARMY INTERNAL ALLIANCES, EFFECTS OF TRANSFERS DISCUSSED

Bangkok CHAT ATHIPATAI in Thai 19-25 Oct 85 pp 8, 9

[Unattributed report: "Loss of Balance in the Military in the Wake of the Latest Coup"]

[Excerpt] The Reshuffle of Lower-Ranking Officers and the Shift in Balance

As for unity in the military following the recent annual reshuffle of senior officers, the senior commanders, including the under secretary of defense, the supreme commander and staff, the RTA CINC and staff and the RTAF CINC and staff, are all members of Army Preparatory School (APS) Class 5, the class of Gen Athit Kamlangek, the acknowledged leader of this group.

In the army, most of the officers promoted to high positions are members of Chulachomklao Royal Military Academy (CRMA) Class 1, the class of acting Gen Chawalit Yongchaiyut, the new army chief of staff. The three new assistant army chiefs of staff, Lt Gen Ngamphon Butsathit, Lt Gen Kasem Sguanchatsonkrai and Lt Gen Charuai Wongsayan, are all members of this class.

Prior to the reshuffle, officers at the battalion and regimental command levels exerted pressure to have Lt Gen Phichit Kunlawanit, whom some people have viewed as the next RTA CINC, to be promoted to full general and made assistant RTA CINC while serving concurrently as commanding general of the 1st Army Area. But Lt Gen Phichit was not promoted and still holds the same position as before. This has greatly disappointed his supporters.

As soon as they learned of the official results of the reshuffle, the supporters of Lt Gen Phichit said that "actually, he is not at all concerned about rank or position. He can be happy in any position. All he wants is something to do. He is very serious about his work."

At the divisional command level, even more divisions than before are now controlled by members of CRMA Class 5. Even though Maj Gen Isaraphong Nunphakdi, who has been made the deputy commanding general of the 2d Army Area, is no longer the commander of the 1st Royal Guards Infantry Division, which is an important division, the new commander, Maj Gen Wimon Wongwanit, is a member of CRMA Class 5, too.

Members of CRMA Class 5 who command the same divisions as before include Maj Gen San Siphen, the commander of the 2d Division; Maj Gen Choetchai Thiratthanon, the commander of the 9th Division; Maj Gen Bunthaen Nienchaloei, the commander of the 6th Division, Maj Gen Somphon Toemthongchai, the commander of the 3d Division; Maj Gen Phuchong Nilakham, the commander of the Artillery Division; Maj Gen Wirot Saengsanit, the commander of the AAA Division; Maj Gen Ariya Ukhosakit, the commander of the 2d Cavalry Division; Maj Gen Khachon Ramanwong, the commander of the 2d Special Forces Division; and Maj Gen Woraphim Ditsayabut, the commander of the 11th Division. The two members of this class who were just appointed to divisional command positions are Maj Gen Phirot Chanthara-urai, the commander of the 1st Cavalry Division and Acting Maj Gen Choe Phosinak, the commander of the 4th Division.

Besides this, many other members of CRMA Class 5 remain in administrative positions. This includes Lt Gen Suchinda Khraprayun, the assistant army chief of staff, who is the president of Class 5; Maj Gen Sakan Sathityutthadan, the commander of Military District 1; Maj Gen Thawisit Sangsomwong, the commander of the Chonburi Military District; Maj Gen Prasoet Sanrut, the director of personnel; Maj Gen Chatchom Kanlong, the director of logistics; Maj Gen Phaibun Hongsinlak, the chief of staff of the 2d Army Area; and Maj Gen Chamlaeng Uchukomon, the chief of staff of the 1st Army Area.

As soon as Class 5 officers learned of the results of the reshuffle, they held a party. The party was held at the beginning of September at the Ambassador Hotel. They said that they were holding the party to celebrate Gen Chawalit's promotion to army chief of staff. But most of those attending the party were members of CRMA Class 5.

The fact that members of CRMA Class 5 have maintained their positions and gained command of even more divisions has greatly upset officers who oppose them. This other group of officers had hoped that Maj Gen Isaraphong would be replaced as commander of the 1st Royal Guards Infantry Division by Col Banthit Malai-arisun, the commander of the 1st Royal Guards Infantry Regiment. Also, they wanted the position of commander of the 9th Division to go to Col Yutthasak Sasiprapha. But things did not turn out that way. Only Col Wattana Sanphanit and Col Yutthasak Sasiprapha were promoted to major general as commander of the 1st Special Forces Division and chief of staff of the Territorial Defense Department respectively. At the same time, members of CRMA Class 9, who are said to be close to CRMA Class 5, are waiting to take over most of the regimental command positions from CRMA Class 8. Besides this, two members of this class have already reached the rank of general. These two are Maj Gen Mongkhon Amphonphisit and Maj Gen Kasem Naphasawat.

Even though those who are dissatisfied with the results of the reshuffle have been playing a much smaller role since the events of 9 September, the rise of those who side with the government and who helped suppress the rebellion will be another sore point that will cause trouble in the future.

As for balance in the military, even though some people have said that during his 4 years as RTA CINC, Gen Athit Kamlangek has always been personally involved in reshuffling officers at the level of battalion commander, at higher echelons it has been Gen Prem who has promoted those whom he trusts in order to have a balance. Besides this, some classes that have not openly announced which side they support, as have CRMA classes 5 and 8, have now begun to move to Gen Prem's side after seeing that he was able to suppress the 9 September rebels.

In addition to the dissatisfaction within the military over the results of the recent military reshuffle, politics outside the military is making the situation even worse. This is because some of the large political parties in the government coalition have recommended that Gen Prem take resolute action against both the soldiers and the laborers who took part in the 9 September rebellion.

There are many things that are now causing splits within the military. Staff officers have held meetings and tried to discover the sources of the leaflets that have been flooding the military. Based on their investigations, these officers have said that this is probably the work of certain political parties that want to cause splits for their own advantage. This is not the first time that this has happened. This has happened very often. At the party on the evening of 11 October, Gen Athit told fellow members of APS Class 5 that political parties are disseminating these leaflets.

In this tense political situation, Maj Gen Sutsai Hatsadin, a retired officer who has played politics outside parliament with various power groups, recently said that "I think that there will definitely be another coup within the next 2 months. Gen Prem, Gen Athit and M.R.W. Khukrit Pramot have been driven to the wall."

When the dissatisfaction over the results of the recent military reshuffle and the present political tension are added together, perhaps Maj Gen Sutsai is right.

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BURMESE CURRENCY CHANGES CAUSE BORDER ECONOMIC PROBLEMS

Bank Officers Discuss Problem

Bangkok THAI RAT in Thai 6 Nov 85 pp 1, 2

[Excerpt] Burma's announcement on 3 November that it intends to replace the kyat has affected trade along the Thai-Burmese border. On 5 November, Mr Somphon Sukansi, the manager for branch operations of the Thai Farmers' Bank, revealed that the bank has ordered all its branches along the border, including those in Mae Sot District, Tak Province, those in Mae Hong Son Province and those in Mae Sai District, Chiang Rai Province, to monitor the trade situation and see what affect this will have on the bank's customers. There have also been reports that the Sampheng area, a large market area, will be affected, too.

Burma's decision to replace the kyat did not have any effect on the Thai Farmers' Bank because the bank does not exchange this currency. The bank's Thai cusomters probably don't hold this currency like they do the dollar because it cannot be exchanged for baht. Thus, this should not have much of an effect. In particular, the merchants who trade with Burma on a regular basis will know what the trade situation is like.

Mr Somphon said that the manager of the Sampheng branch of the bank has been ordered to see how great an effet this has had. This is not an attempt to grab customers but rather an effort to monitor things. Because whenever something like this happens, the merchants become worried.

The Thai Military Bank pointed out that the bank does not have too many branches along the Thai-Burmese border. Thai merchants know that the bank does not accept kyat. Thus, losses should be very small. Similarly, the Thai Commerce Bank said that after this happened, the branches were told to assess the losses. The bank does not have any problems because the baht is used as the medium of exchange in trade activities.

At the same time, a reporter in Mae Sai District, Chiang Rai Province, reported that people in this district have been affected by the change in currency because of the trade along the Burmese border. Trade is depressed, and few of the merchants dare to engage in trading. However, the Burmese government has announced that money can be exchanged from 11 November to

31 December. But the merchants are not sure whether they will actually be able to exchange their money or not.

In Tak Province, Mr Sombun Phrommet, the governor of Tak Province, talked with reporters about the crisis caused by Burma's change of currency. He talked with reporters when he went to visit people along the Thai-Burmese border in Mae Sot, Mae Ramat and Tha Song Yang districts at 0900 hours yesterday. He said that this will definitely have a great effect, especially on trade. The effect will be the same as when we devalued the baht. This depends on the Burmese government. But he feels that Thai merchants will be able to solve the problem and that few will go bankrupt. He has asked the president of the Tak chamber of commerce to gather data on this in order to help the people who are experiencing problems. This is a national-level matter. The Border Committee will hold a meeting at the provincial administrative headquarters on 6 November in order to discuss ways to solve this problem.

Mr Sombun said that Thai and Burmese merchants are now trying to reach an agreement. The Burmese merchants have been asked to exchange the kyat in the possession of the Thai merchants at only half the value. This will lighten the burden and prevent anyone from going bankrupt.

Baht-Kyat Rate

Bangkok THAI RAT in Thai 4 Nov 85 pp 1, 7, 20

[Excerpt] A reporter in Mae Sot District, Tak Province, reported that at 1430 hours on 3 November, while merchants and villagers were watching a Burmese television program broadcast from Rangoon on system 525, which can be picked up in Mae Sot District, the program was suddenly interrupted so that the Burmese government could make an urgent announcement. It announced that the "Burmese government wants to inform the people of Burma that effective immediately, the government is terminating the use of 100, 50 and 20 kyat banknotes. Those holding these banknotes can exchange them at the Burmese Bank Cooperative. Each person will be permitted to exchange up to 4,000 kyat. Each family may exchange up to 8,000 kyat. This must be done by 11 November."

This Burmese law stipulates that Burmese families cannot have more than 8,000 kyat. If they are found to have more than this amount, they can be imprisoned. The exchange rate for the kyat will fluctuate depending on the trade situation. The exchange rate has been as high as 200 baht per 100 kyat on the black market. But now the rate is 80 baht per 100 kyat, which is similar to the exchange rate used at the border markets, such as in Mae Sai District in Chiang Rai Province, Sang Khala District in Kanchanaburi Province and Ranong.

The television announcement about the change in Burmese currency threw the Mae Sot market into great confusion. This is the country's largest market for exporting goods to Burma, with the value of the goods reaching several billion baht a year. Such trading activities have been going on for more than 30 years. But following this announcement, the merchants who were trading with Burmese merchants immediately stopped selling goods to the Burmese. About 300 shops at the Mae Sot market hold a total of approximately 100 million kyat. These shops will definitely suffer great losses.

The news report stated that it is worth noting that before this announcement was made, since the end of October, Burmese officials have allowed more than 60 bus loads of Burmese merchants totaling several hundred people to travel to the border in Myawadi District, which is opposite Ban Tha Sai Luat in Mae Sot District. These merchants used kyat to purchase goods at the Mae Sot market. This caused great excitement among the merchants of Mae Sot, who hoarded kyat in the expectation that the value of the currency would increase.

The THAI RAT reporter questioned merchants at the Mae Sot market about the effect that this currency change would have. Mr Panithi Tangphati, age 47, the owner of the Chaiphattana fabric store and a member of the Mae Sot Merchants Association, said that rough estimates of the losses as of 3 November show that losses will definitely exceed 100 million kyat.

Mr Thongphun Chaichun, age 39, the owner of the Phonphaibun shop, has traded with the Burmese for a long time. He said that Thai cannot go and exchange the kyat that they hold. He thinks that this will affect the Sampheng central market. Many shops will go bankrupt because they hold large sums of Burmese currency that they cannot exchange.

A reporter in Tak Province reported that after the Burmese government announced this currency change, Mr Sombun Phrommet, the governor of Tak Province, revealed that this has had a great effect on our trade. However, he will ask Mr Phayun Methongkham, the district officer in Mae Sot District, to determine the losses suffered as a result of this. A report will then be sent to the Ministry of Interior.

Mr Chai Chaiyanon, the district officer in Mae Sai District in Chiang Rai Province, said that this currency change has not had much of an effect on merchants at the Mae Sai market because most of these merchants do business using baht. Thus, only a few people are experiencing problems.

District Officer, Others Comment

Bangkok MATICHON in Thai 5 Nov 85 pp 1, 2

[Excerpt] Mr Phayun Methongkham, the district officer in Mae Sot District, Tak Province, told MATICHON that at 1330 hours on 3 November, the Burmese government announced that it was terminating the use of 100, 50 and 20 kyat banknotes. This immediately affected business in Mae Sot District, because most of the trade carried on in this district is carried on with Burma. He has talked with merchants and businessmen in the district. It is estimated that they hold roughly 30 million baht worth of kyat.

"The main items sold to Burma are cloth, rubber shoes, food seasonings, milk and laundry soap. The people who have been affected the most are the large merchants," said Mr Phayun.

Mr Phayun said that Burmese banknotes come in denominations of 5, 10, 20, 25, 50, 100 and 500 kyat. However, the announcement said that only three denominations would no longer be used. Because of this, the Thai merchants who trade with Burma immediately ordered a halt to the shipment of goods across the border. The money already received will be returned, because the Burmese government announced that people holding these three denominations of kyat can exchange their money at the bank during the period 11 November to 31 December. The only stipulation is that the people exchanging money must have a house registration document. Only one person from each family will be allowed to exchange money, and this can be done only once. The government has not yet announced what percentage it will pay when money is exchanged.

"People will probably not be allowed to exchange very much. Burma has a law limiting the amount of money that an individual can hold. If they try to exchange more than the amount allowed, they can be charged with violating the law. A figure used in the past was 60 percent," said Mr Phayun.

Mr Phayun talked about the present trade situation in Mae Sot District. He said that he has talked with merchants and businessmen who engage in border trade. What has happened can be compared with the huge fire in Mae Sot. The banks have been greatly affected by this, too. They extended credit to the merchants for trade activities. But trade has come to a halt and so they have been affected, too.

Mr Phayun said that from what is being said in Mae Sot District, it seems that the Burmese government took this action because it wanted to hurt the minority groups that oppose the government. Or it may have wanted to prevent currency from flowing out of the country. Others think that it did this in preparation for revising the economic plan or devaluing the currency.

"But this should affect the Burmese government even more. Burma stands to lose the most, because trade will come to a stop. It probably wasn't worth it. But we really don't know what they want," said Mr Phayun.

Mr Phayun said that because over half of this district's revenues depend on the border trade, the business community here plans to ask the government to make Mae Sot a free port in order to gain a trade advantage. Otherwise, goods from China or Japan might gain a large share of the market, which would result in Thailand losing an important market.

"This has given the merchants and financiers here a terrible headache. There will be great turmoil for a period, said Mr Phayun.

Previously, 100 kyat could be exchanged for 78-79 baht. But following this currency change, the exchange rate has fallen to 70 baht.

A news report from Tak Province stated that on the morning of 4 November, the Border Trade Subcommittee of the Tak Province Chamber of Commerce, which is composed of Mr Niyom Waiyaratphanit, Mr Kerapansing Setthi, Mr Panithi Tangphati, Mr Prasong Phongreknanon, Mr Somchit Limlucha, Mr Wirat Khamniwong and Mr Chirasak Phaibunthamrot, held a meeting in order to discuss ways to solve the problems caused by Burma's terminating the use of 100, 50 and 20 kyat banknotes as of 3 November. This has affected trade on Thai-Burmese border markets, particularly the Mae Sot market. Those at the meeting totaled the losses in order to submit the matter to the provincial and national joint public-private committees to solve the economic problems. Negotiations will be held with the Burmese government on exchanging the large sum of Burmese currency held by Thais.

The news report stated that during the past 2-3 months, many Burmese customers have purchased goods at the Mae Sot market using 100-kyat banknotes and because of this there is a huge amount of Burmese currency on the Thai side. Just 3 days before this announcement, a large number of trucks from Rangoon and Malamaeng came and purchased 10 million baht worth of goods from markets in Mae Sot.

The report also stated that Burmese radio broadcasts, which can be picked up along the border, announced that the Burmese government ordered the banks in all the districts throughout the country to close on 4 and 5 November and reopen on 6 November.

Mr Panithi Tangphati, the owner of the Chaiphattana fabric store and a member of the Mae Sot Merchants Association, said that the Mae Sot market has lost at least 100 million kyat because of this action taken by the Burmese government.

Mr Thongphun Chaichun, the owner of Phonphaibun Shop, said that merchants cannot exchange the kyat that they hold. He believes that this will affect the Sampheng central market, too. Many shops will go bankrupt because they hold large sums of kyat that cannot be exchanged.

Mr Kerapansing Setthi, the manager of the Siricharoen Phanit Shop, said that approximately 300 shops at the Mae Sot market have been seriously affected by this. Almost all the shops hold kyat. Losses will total approximately 100 million baht.

Mrs Praphaphim Sakuntaphai, the director of the Office of the Governor of the Bank of Thailand, said that this action by Burma will not affect the country's currency. This is because Thailand does not use or exchange kyat in the banking system. There is little confidence in the traders. Most of the trade conducted with the Burmese government is carried on using the U.S. dollar. Thai merchants who trade with Burmese businessmen use the baht because the value of the baht is secure and stable.

"The small businessmen who carry on trade along the border have probably been affected by this. But I don't think that they have been affected too much. Most of the traders there engage in smuggling and do not pass the checkpoints of officials. We don't know what the volume of trade is," said Mrs Praphaphim. She added that normally, when a country changes the exchange rate or makes a currency change, the people can exchange their old money with the central government. But the value of the currency can be set higher or lower than the old value.

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CSO: 4207/75

ROK, THAILAND AGREE TO INCREASE BILATERAL TRADE

SK170227 Seoul YONHAP in English 0213 GMT 17 Dec 85

[Text] Bangkok, December 16 (OANA-YONHAP)--South Korea and Thailand Monday agreed to try to increase their bilateral trade from an estimated 400 million U.S. dollars this year to one billion dollars in 1988.

The agreement was reached in a series of meetings here between a Korean economic mission, headed by Deputy Prime Minister Sin Pyong-hyon, and a Thai delegation of four ministers, led by Sin's counterpart, Phichai Rattakun.

The Thai ministers are Foreign Minister Sitthi Sawetsila, Commerce Minister Koson Krairoek, Science and Technology Minister Lek Nana [spelling as received] and Industry Minister Chirayu.

The two sides shared the view that the mounting trade barriers of industrialized countries have hindered to promotion of exports by developing countries, and they promised to work together in boosting south-south cooperation, diversifying their markets and investments.

They decided to consider expanding joint ventures involving television brown tubes and other items in the manufacturing sector, as well as technological cooperation based on a bilateral technical pact agreed last June.

The Thai delegation requested that Korea import more stavia, maize and rubber from Thailand and that it lower tariffs on tapioca. Stavia is raw material used in the manufacture of low-calorie sugar.

In response, the Korean delegation said it would advise pertinent Korean industries to buy more of Thai agricultural products if those products are good, in terms of price and quality.

Sin, who is also economic planning minister, asked the Thais to improve the investment atmosphere for Korean firms in Thailand.

The Korean delegation asked the Thai government to cooperate in the possible participation by Korean construction firms in projects involving infrastructural facilities, east sea development and waterworks.

It also requested that Korean businesses be given favorable consideration in bidding for machinery.

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CSO: 4200/417

THAILAND

BRIEFS

THAILAND, USSR TO SIGN CONTRACT--The Soviet Union Chamber of Commerce and Industry, or CCI, plans to sign the 1986-1987 working program contract with the Board of Trade of Thailand early next year as part of the Soviet-Thai trade agreement to strengthen economic ties. The chairman of the CCI reportedly said that the trade agreement between USSR and Thailand signed in 1970 calls for development and expansion of bilateral trade. The Soviet Union has lately become one of Thailand's major buyers of various items, epecially farm products. In turn, Thailand imports fertilizers, chemicals, newsprint paper, and machinery from the USSR. As a means to promote bilateral trade, the Soviet Chamber of Commerce and Industry will organize a trade and industrial exhibition from 16 October to 2 November 1986 in Bangkok. [Text] [Bangkok Voice of Free Asia in English 1500 GMT 10 Dec 85] /12640

FINNISH AIR AGREEMENT--At the Foreign Ministry on 11 December an air services agreement between Thailand and Finland was signed by the Thai permanent secretary for foreign affairs and the undersecretary of state of the Finnish Ministry of Foreign Affairs on behalf of their respective countries. Under the agreement, the national airlines of the two countries will be able to fly from and to a specific point in each other's territory. [Summary] [Bangkok Voice of Free Asia in English 1500 GMT 11 Dec 85 BK] /12640

SUSPECTED COMMUNISTS ARRESTED--Surat Thani--Four suspected communist insurgents have been arrested with firearms and timber worth 200,000 baht in jungle strongholds, it was reported yesterday. Col Wiset Siriwatthanakun, commander of the 42nd Civilian-Police-Military unit, said the arrests were made during a week-long campaign which started on December 3 [word indistinct] four districts of Surat Thani and Krabi. He said communist suspects Yukon Changruang, Charan Thongkha, Sutham Phenchan and Chot Chan were also involved in illegal logging. Col Wiset said the suspects collaborated with local financiers to fell logs to fund their activities. Some 240 logs and 350 planks were seized during raids. The unit also seized two automatic rifles, a hand grenade and ammunition. [Text] [Bangkok BANGKOK POST in English 12 Dec 85 p 5] /12640

GOVERNMENT PROTESTS BURMESE VIOLATION--Mae Sot, Tak--The local Thai military authority is to submit a protest to the Burmese Army today over alleged border violations by Rangoon forces. The protest note will be sent through the district immigration office here, to the local Burmese authority in Myawadi. The allegation charged Burmese troops of intruding onto Thai soil twice, on November 29 and on December 3, at Ban Mae La of Tha Song Yang District. The Rangoon forces on both occasions crossed the Moei River on patrol and spent up to two hours in Thailand. Col Prinya Singharak, commander of Task Force 34 in charge of the border area here, said that Thai troops had not taken action against the border violators to avoid jeopardizing the good relations between the two countries. He urged, however, that Burmese troops refrain from future border violations, or Thai forces would have to take, "proper actions" to safeguard Thai sovereignty. [Text] [Bangkok BANGKOK POST in English 16 Dec 85 p 3] /12640

SEOUL TO HOST COUNCIL--Bangkok, Dec 17 (OANA-YONHAP)--Korean and Thai businessmen agreed Tuesday to work toward achieving the goal of one billion U.S. dollars in bilateral trade by 1988, set by Korean and Thai government officials on Monday. Eighty-seven businessmen from both countries made the agreement in the fourth conference of the Korean-Thai economic cooperation council here. In Tuesday's meeting, held at the Hilton Hotel, the Korean participants asked their Thai counterparts to buy more steel products, fertilizers, electric and electronic goods, machinery and rolling stock from Korea. The Thais requested that Korea import rubber, fruits, tapioca, rice and raw sugar from their country. The two sides also agreed to try to make inroads into construction markets in third countries by setting up joint ventures involving manpower, technology and equipment. The next bilateral council meeting will be held in Seoul, but the date has not yet been set. [Text] [Seoul YONHAP in English 0104 GMT 18 Dec 85] /12640

MALAYSIAN OFFICIAL TO VISIT--Malaysian Deputy Prime Minister Datuk Musa Hitam will visit Bangkok next month for a meeting of the Thai-Malaysian General Border Committee, which will decide whether the next joint military offensive against insurgents of the Communist Party of Malaya, or the CPM, on the common border would be a combined or coordinated operation. Colonel Samak Phawilai of the 4th Army Region said that Datuk Musa Hitam, who is also minister of home affairs, is scheduled to fly to Bangkok on about 19 January for a 3-day visit. The general border committee meeting will be held at Government House in Bangkok. Interior Minister General Sitthi Chirarot will lead the Thai delegation in the negotiations. He is Thai co-chairman of the committee. Colonel Samak said that the Thai-Malaysian meeting is also expected to discuss progress in the demarcation of Thai-Malaysian border, particularly the demaracation along Kolok River which is yet to start. The land demarcation has been completed. [Text] [Bangkok Domestic Service in English 0000 GMT 9 Dec 85] /12640

THAI-MALAYSIAN ANTISMUGGLING FORCE--A special task force has been set up to deal exclusively with influential smuggling rings operating across the Thai-Malaysian border. The chief of the Songkhla-based zone 9 customs said that the 60-member task force is staffed with customs officials, border patrol policemen and immigration officials of equal number. He said smuggling across the border was drastically contained during the past few months after soldiers from the 4th army region were mobilized to help in the antismuggling campaign. The newly-formed task force is based in the border town of Padang Besa in Sadao District of Songkhla Province. Padang Besa has been known as the most popular smuggling route. [Text] [Bangkok Domestic Service in English 0000 GMT 7 Dec 85 BK] /12640

CSO: 4200/418

MILITARY AFFAIRS AND PUBLIC SECURITY

ARMY PAPER ON ANTIAIRCRAFT FORCES' READINESS

BK110958 Hanoi QUAN DOI NHAN DAN in Vietnamese 1 Nov 85 pp 1, 4

[QUAN DOI NHAN DAN 1 November editorial: "Constantly Improve the Combat Readiness of Local Antiaircraft Forces"]

[Text] The local antiaircraft forces constitute an important component of the air defense corps of the people's armed forces. The duty of these antiaircraft forces is to defend firmly the airspaces of their localities. Improving the combat readiness of the local antiaircraft forces means realistically improving the fighting strength of the people's armed forces.

In the two previous wars of resistance, especially during the years of countering the war of destruction by the air force of the U.S. aggressors, the local antiaircraft forces have grown constantly in size and combat efficiency, thus further affirming their important role and position in the national air defense network. Inheriting and developing that glorious tradition, antiaircraft positions of different sizes and organizational systems have now been set up in all localities, district military fortresses, combat clusters, factories, enterprises, and large industrial complexes. Many well-organized and well-trained units have been able to ensure a high level of combat readiness.

In recent years, with the coordination and assistance of the Air Defense Corps and local air defense organizations at various levels, many provinces and cities have organized antiaircraft drills. This has helped evaluate the actual training results of the units concerned, discover and correct deviations in training activities, and encourage the movement for emulation in improving the level of antiaircraft techniques and tactics among all localities and basic units. Experience from units that have scored high points in antiaircraft drills -- such as the 37-mm artillery company in Tien Lang, Haiphong; Tien Hai, Thai Binh (3d Military Region); Mai Dong machinery plant (Capital Military Region); and the 12.7-mm machine gun companies of the Dong Van fiber factory and Long a textile mill (7th Military Region) -- shows that we can only ensure high combat efficiency when training is carefully organized and strictly conducted in accordance with its contents and timetable. Usually, in these units, there are discharged antiaircraft artillerymen or antiaircraft artillery officers who have been recalled or transferred to localities to serve as commanding cadres and training instructors. Their artillerymen have been assigned to work under a relatively stable organizational system, thus allowing them to engage in training while ensuring production. However, in certain localities, the organizational system is still irrational and, as a result, their training quality and level of combat readiness remain low.

As part of a technical corps, local antiaircraft units must be carefully organized and given serious, proper, regular, and practical training. The training of local antiaircraft units must proceed from the requirements of combat activities of a locality and must be in line with the characteristics and combat plans of the armed forces of that locality. Attention should be paid to theoretical and practical training, as well as to technical and tactical training and the training in the methods of fighting independently or in coordination with other units. It is also necessary to train artillerymen in the official organizational staff along with a reserve force in preparation for replacement or reinforcement when necessary.

Faced with the present situation, on the basis of thoroughly understanding the party's military line and the tasks of building and fighting of the local armed forces, all local party committee and administrative echelons and military commanders must pay attention to formulating the table of organization and equipment and building local antiaircraft positions in a way that suits the characteristics and tasks of each region. They should also establish a scientific training pattern with creative fighting methods to ensure high combat efficiency, thus satisfying the needs arising from combat readiness and combat activities in their localities.

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CSO: 4209/160

MILITARY AFFAIRS AND PUBLIC SECURITY

MILITARY CAREER EDUCATION IN GENERAL EDUCATION SCHOOLS

Hanoi NHAN DAN in Vietnamese 22 Oct 85 pp 3, 4

[Article by Engineer Corps Major Ho Quang Liem: "Military Career Education in General Education Schools"]

[Text] The content of career education in the general education school covers many important questions, including military career education. In the last few years, the army together with a number of sectors, localities and mass organizations has studied and put into application formulas of military career education in general education schools and it has garnered some initial results.

1. The Task of Military Career Education Is To Prepare Youths and Students for Implementation of Their Military Obligations

Military career education in the context of the general education school means to educate the students in patriotism so that they are ready to struggle and to sacrifice themselves for the sake of the socialist Vietnamese fatherland. From this basic attitude, the students will of their own carry out well their great obligation of protecting the fatherland.

To get the students to perform well their duty of protecting the fatherland, the requirements of military career education in the general education school must be to do well the task of building the self-awareness of national defense; to effectively train the students in a number of areas, such as general military science and defense-type exercises, to build the spirit of readiness to join the armed forces in general and the regular army, in particular, and to build the spirit of readiness to accept and complete all tasks assigned by the fatherland and the people.

In the implementation of the military draft law, there is a considerable annual turnover of personnel in our standing army. Most of those who have completed the draft return to their localities, to their plants and enterprises to participate directly in production or rejoin the various organs, continue their studies in various schools. Those who are students, without a profession before joining the army, will initially entertain a number of misconceptions, for instance, thinking that in the army one deals only with guns and bullets and thus, when demobilized one would come home "empty handed," without a skill or profession. Such misconceptions come from imperfect thinking. It is true that when one speaks of the army its main function and task is to fight on the battlefield and its main responsibility is to defeat the enemy. Through the 3 or 4 years spent in the army they will be trained and instructed carefully as comrades-in-arms in military and political matters so as to be ready to eliminate the enemy, to defeat everyone of its aggressive and sabotage schemes. The Vietnamese People's Army has always been called by many people to be a training ground for the new man. This is because it has all the conditions necessary for helping the youths and students to struggle, train and study to serve the fatherland and the people unconditionally. Despite the fact that the study and training conditions require much urgency, thanks to the active commitment, the subjective participation, the wisdom and strength that each person brings to the task in order to combine into a collective might, led and given favorable conditions by the unit commanders, these youths have a life which may know difficulties and hardships but nonetheless is happy, healthy, and of clear purpose.

With a way of life that consists of building, study, training, and learning to organize labor so as to improve one's diet and learning to organize cultural activities and performances, the drafted youths will have lived the very active life of fighters. After serving their draft, practically all the youths and students will have matured in many respects, with the most fundamental transformations being their level of political awareness, their organizational capacity, their self-awareness of organization and discipline, and their sense of individual responsibility. Disregarding the military institutes, the military colleges and academies, every year the network of specialist and technical training schools and the NCO schools form tens of thousands of technicians, of skilled specialists and thousands of drivers of various sorts. These also serve the draft period and get discharged, with a relatively high proportion of them trained in skills that are in consonance with the various socioeconomic professions. On the other hand, because of the special quality of labor in the army, it requires of one not only one's sweat but also one's blood and sacrifice; it requires also intelligence besides brute force, and a certain level of culture, scientific and technical knowledge. Because of the stringent requirements of such special tasks, the youths must know how to build their life in the "army family" by following a military way of life, by studying, working and training seriously in order to fight victoriously. The very nature of such a way of life has bespoken the character of training the new man and creating a professional skill for the soldier.

Thus, fundamentally speaking, every year there are a considerable number of demobilized soldiers who, thanks to their training at the various specialist and technical schools or training received at the NCO schools, and especially in the majority of cases through "self-training" at the various units, especially if they have served in services and branches that have use for many skills for later socioeconomic career building, will have for the most part some specialized skills. The question that remains is how to use them appropriately. This is why the career education that we are talking about here is how to make the students realize fully that no matter what they do, whether they continue with their studies or get to participate directly in economic construction labor, or join the armed forces to do their military duty, it is all a matter of social division of labor, a matter of youth's responsibilities and duties toward the fatherland. At the same time, this will get them to understand the very eventful life and fighting career of a soldier. Military career education, therefore, has the task of educating the young generation in a comprehensive manner, including their military training, preparing them to perform their military draft in defense of the fatherland, which they must consider to be their sacred duty.

2. To Mobilize the General Education School Graduates so that They Register To Compete for Entrance into the Various Military Schools

Our army is getting stronger every day as it gradually upgrades itself into a completely regular army equipped with weapons and means of fighting that are more and more modern. As it looks to a high level of culture and the comprehensive development of its soldiers, it requires that its commanding cadres and specialist, technical and professional cadres be of good political formation, with a certain level of scientific knowledge and of the military arts, with a general level of scientific and technical knowledge, plus a cultural and artistic knowledge level, that is upgraded every day, not to say a high capacity for action. Facing such a development and the requirements born of such a development, the people's armed forces have basically struggled to complete the building of a set of blueprints for a network of training and inservicing schools for cadres including hundreds of schools consisting of military institutes, colleges, and academies, military-political schools, local military training schools, specialist, technical and professional schools, and NCO schools. This school network will on a yearly basis attract a significant number of cadres and soldiers in the army and recent general education school graduates so that they can study and train to become command cadres, specialist and technical cadres who would serve for a long time in the army.

Thus, ever since there was the decision by the party Central Committee Secretariat and by the Council of Ministers establishing this network of state-run schools and specifying the selection of military cadets, the general education school students are also an important target group comprising between 40 and 50 percent of the main source of cadres for the army. The few years of experimentation have shown that the students admitted to the military schools have rapidly adjusted to the army environment. Though they may still be at a loss during the first year, in the following years they have proved to be struggling hard to get better trained, and in the final year some 80 percent of them get recruited into the party, and 100 percent of the students enthusiastically start out to go and accept their tasks in fighting units at the northern frontier, on faraway islands and to fulfill their international duties. Many comrades have fought heroically and achieved outstanding feats. This is a favorable trend, it is a place where the youths and students can achieve their dreams and great aspirations, where they can struggle to become expert military leaders. In this connection, the task of military career education is to make the students see clearly their responsibilities and honor at becoming military commanders or military specialist and technical cadres, that is they become party cadres serving in the army, hence they would volunteer to go and study in the military schools and volunteer to serve a long time in the army.

Thus, the task of military career education in this connection is to mobilize the general education school graduates to enthusiastically volunteer and register in the military schools and be ready to serve a long time in the army, ready to go anywhere and to complete any task assigned by the fatherland. The task of military career education must be carried out regularly and it must be done right during the time the students go to high school in general education. The mobilization and propaganda work must be done on a widespread scale and in many forms in every general education school, with the active participation of various sectors, localities and mass organizations--especially with the active participation of the masses of cadres, teachers, and of the Ho Chi Minh Communist Youth Union in the general education schools.

1751/9435
CSO: 4209/53

INTERNATIONAL RELATIONS, TRADE, AND AID

BULGARIAN FRONT DELEGATION ENDS VIETNAM VISIT

OW120949 Hanoi VNA in English 0704 GMT 12 Dec 85

[Text] Hanoi VNA Dec 12--A delegation of the Bulgarian Fatherland Party Central Committee, and first vice chairman of the front's National Council, left here yesterday concluding its Vietnam visit. [as received. However, Hanoi VNA in English at 0704 GMT on 12 December in its regular "press review" reports that the delegation was led by "Sava Dulbokov, member of the Bulgarian Communist Party Central Committee and first vice chairman of the front's National Council"].

While here, the delegation paid a floral tribute at Ho Chi Minh mausoleum and visited the late president's home and office.

The delegation held talks with a delegation of the Vietnam Fatherland Front Central Committee. The two sides informed each other of the socio-economic situation and the front work in their respective countries, and exchanged views on issues concerning the front work.

It had working sessions with the fatherland front committees of Hanoi, Ho Chi Minh City, and Quang Ninh Province (east of Hanoi) wherever it went, the delegation was warmly welcomed by local officials and people. President of the presidium of the VFFCC Huynh Tan Phat cordially received the Bulgarian guests and warmly welcomed their Vietnam visit as "a manifestation of the friendship and militant solidarity between the two peoples and two front organizations of Vietnam and Bulgaria."

While receiving the Bulgarian delegation, Hoang Tung, secretary of the Communist Party of Vietnam Central Committee, highly acclaimed Bulgaria's multifaceted achievements and expressed his hope that the relations between Vietnam and Bulgaria, the two fronts included, would be further consolidated and developed.

Bulgarian ambassador to Vietnam Filip Markov joined the Bulgarian delegation in all its activities.

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CSO: 4200/392

INTERNATIONAL RELATIONS, TRADE, AND AID

RADIO REVIEWS GDR FOREIGN ASSISTANCE PROGRAMS

BK120940 Hanoi Domestic Service in Vietnamese 0015 GMT 4 Dec 85

[Unattributed "article" introducing the GDR's contributions to developing countries in general and Vietnam in particular]

[Text] The GDR is a country in the socialist community which has made many important contributions to developing countries.

Since its founding, the GDR has signed many treaties of friendship and cooperation with various developing countries in Asia, Africa, and Latin America. Typical of this is its cooperation with India and Mexico. With regard to developing countries, the GDR has concentrated its assistance on various decisive fields aimed at overcoming their economic backwardness and consolidating their economic independence. To date, more than 350 state treaties and government and sector agreements have been signed between the GDR and various developing countries.

The GDR has built 700 enterprises and establishments in various developing countries. These enterprises and establishments have developed their effectiveness and contributed significantly to the national economy of each of these countries. The GDR has also offered to help these countries train their scientific and technical cadres. Since 1970, the GDR has trained more than 10,000 cadres of higher and vocational educational levels. Meanwhile, more than 40,000 others have received professional training in this country. The friendship school at Stassfurt is the place where students from various African countries are trained. Here the students receive education and vocational training up to grade 10. Friendship labor teams of the Free German Youth have also trained thousands of people, mostly from various Arab and African countries, to become professional workers.

Vietnam is one of the developing countries which has received valuable assistance from the GDR. The treaty of cooperation and friendship, signed between Vietnam and the GDR on 4 December 1977, has developed and produced remarkable results. Based on this treaty, the GDR has assisted Vietnam in building a number of industrial and agricultural projects. It has also helped build the Vinh fiber factory and supply it with raw materials, rebuild Vinh city, and provide our agricultural sector with plans and technical guidance for the planting of coffee. At present, many tailoring enterprises in Vietnam are making garments on contract for the GDR. Under foreign trade agreements signed between the two countries, Vietnam has supplied and is supplying the GDR with light industrial and food products.

The GDR has always bestowed on our people the most valuable support. The movement for solidarity with and assistance to Vietnam has become a tradition in this country. Potsdam province -- a typical unit in this movement -- has contributed voluminously to the cause of assisting the Vietnamese people. Over the past 10 years, experts for the GDR have assisted Vietnam in building 104 machine shops for many different production sectors. In 1985 alone, handicraftsmen in Potsdam province have contributed 1.2 million marks to the GDR's solidarity fund. A part of this amount has been used to modernize various machine shops in Vietnam. The cooperation between the two countries has been, is being, and will be for the common goal -- the development of the economies of Vietnam and the GDR -- as stated in the greetings message of the GDR party and state leaders to our party and state leaders on the occasion of the SRV's 40th National Day: We believe that the close fraternal friendship, all-round cooperation, and mutual assistance between the parties, states, and peoples of our two countries on the basis of Marxism-Leninism and proletarian internationalism, as well as on the basis of the treaty of friendship and cooperation, will continue to consolidate and develop.

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CSO: 4209/160

INTERNATIONAL RELATIONS, TRADE, AND AID

BRIEFS

OFFICIAL CALL ON SWEDISH PARLIAMENTARIAN--Hanoi VNA Dec 7 -- President of the Vietnam Peace Committee Phan Anh has called on Swedish Parliament President Ingemun Bengtson in Stockholm. During the meeting Mr Ingemun Benotson inquired about the Vietnamese people's national construction, the fight against the consequences of the recent floods and typhoons in Binh Tri Thien Province and of the U.S. chemical warfare. He wished the Vietnamese people new successes in national construction and defence. Earlier Phan Anh as head of a Vietnamese peace delegation attended a meeting held in the Swedish capital to mark the 35th anniversary of the World Peace Council. During his stay in Sweden, Phan Anh met with a group of parliament members of the Social Democratic Party in the Swedish Parliament Commission for External Affairs and visited the office of the Swedish Left Communist Party. He also visited the Vietnam, Laos and Kampuchea Committee of Sweden. [Text] [Hanoi VNA in English 1506 GMT 7 Dec 85 BK] 12624

FRIENDSHIP AWARD TO BRITISH--Hanoi VNA Dec 7 -- David Yuille and Mrs Joan Yuille, vice chairman and secretary general of the Britain-Vietnam Association respectively, have been awarded Vietnam's friendship order for their outstanding contributions to promoting the friendship between the peoples of the two countries and the British working people's movement in support of the Vietnamese people in their national construction and defence. The conferment ceremony, jointly held here on Dec 6 by the Vietnam Committee for Solidarity and Friendship With Other Peoples and the Vietnam Peace Committee, was attended by Hoang Minh Giam, president of Presidium of the Vietnam Committee for Solidarity and Friendship With Other Peoples; Do Xuan Oanh, secretary of the Vietnam Peace Committee, representatives of the Foreign Ministry, the party Central Committee's International Department, and central and local bodies. [Text] [Hanoi VNA in English 1517 GMT 7 Dec 85 BK] 12624

DECORATION OF FRENCH SPECIALISTS--Hanoi VNA Dec 7 -- A ceremony was arranged in Ho Chi Minh City today to confer Vietnam's Friendship Order and medal on French specialists of the French Federation of Book Workers (FFTL) affiliated to the French General Confederation of Labour (COT) in acknowledgement of their outstanding contributions to helping VIETNAM NEWS AGENCY install a new printing workshop in the city. It was attended by Tran Thanh Xuan, Do Phuong and Do Van Ba, deputy general directors of VNA; Tran Kien, deputy secretary of the Ho Chi Minh City's federation of trade union; and others.

Rene Bouyries, deputy general secretary of the FFTL and head of the visiting FFTL delegation; Rober Dedame, head of the French specialists group; and other French specialists who have come to help VNA build the new printing workshop. At the ceremony, Tran Thanh Van presented the friendship order to the FFTL and Rene Bouyries, and the friendship medal to four French specialists. Also on this occasion, Tran Kien conferred the medal for the cause of building trade union organization on 30 members of the FFTL. Earlier, VNA had conferred the friendship medal on Maurice Brouker, a specialist of the FFTL, before he returned home. [Text] [Hanoi VNA in English 1545 GMT 7 Dec 85 BK]

GDR RELIEF TO PROVINCE--Hanoi VNA Dec 9 -- A ceremony was held at the international airport here today to receive 15 tons of medicines, clothes and blankets as emergency aid from the German Democratic Republic solidarity committee to the flood and typhoon victims in Binh Tri Thien Province, central Vietnam. Present at the delivery were Mrs Dopthi Tai, head of the committee for the reception of foreign aid, GDR Ambassador Hermann Schwiesau, and Sommer Felde, representative of the GDR Solidarity Committee. [Text] [Hanoi VNA in English 1554 GMT 9 Dec 85 BK] 12624

SRV, PHILIPPINES TO SIGN AGREEMENT--Hanoi VNA Dec 10--A delegation of the Philippines Airlines is now in Ho Chi Minh City to discuss with the Vietnam airlines officials issues relating to the strengthening of cooperation between the civil aviation services of the two countries. The delegation headed by Roman A Crusen, president and director general of the Philippines Airlines, comprises four vice chairmen and several other officials of the airlines. The delegation is also to prepare for the signing of an aviation agreement between the two countries in the near future. [Text] [Hanoi VNA in English 1508 GMT 10 Dec 85 OW] 12624

DELEGATION RECEIVED BY TUNG--Hanoi VNA Dec 11 -- A delegation of the Laos-Vietnam Friendship Association headed by its vice-president Oun Houn Phounsavath has concluded a friendship visit to Vietnam as guest of the Vietnam-Laos Friendship Association. While here the delegation attended activities of "a month of Vietnam-Laos friendship" in honor of Laos's 10th National Day, and visited Hanoi, Ho Chi Minh City and the provinces of Vinh Phu and Ha Son Binh. It was cordially received by Hoang Tung, secretary of the Communist Party of Vietnam Central Committee. [Text] [Hanoi VNA in English 1526 GMT 11 Dec 85 OW] 12624

LE DUAN CONGRATULATES SANTOS--Hanoi VNA Dec 11 -- Le Duan, general secretary of the Communist Party of Vietnam Central Committee, has extended his warm congratulations to Jose Eduardo Dos Santos on his re-election as chairman of the Central Committee of the People's Movement for the Liberation of Angola Workers' Party. In his congratulatory message, General Secretary Le Duan wished Chairman Jose Eduardo Dos Santos good health so as to lead, together with the Central Committee of the MPLA-PT, the Angolan people to great successes in the implementation of the resolutions of the MPLA-PT 2nd Congress. The general secretary wished the friendship and fraternal cooperation between the two parties and two peoples constant consolidation and development. [Text] [Hanoi VNA in English 1516 GMT 11 Dec 85 OW] 12624

DUNG CONGRATULATES NEW GDR MINISTER--Hanoi VNA Dec 11--Defence Minister General Van Tien Dung Tuesday extended his warmest congratulations to General Heinz Kessler on his appointment as defence minister of the German Democratic Republic. In his message, General Van Tien Dung wished the friendship, militant solidarity and fraternal cooperation between the people and armies of Vietnam and the GDR further enhancement and the GDR defence minister good health, and success in his noble mission. [Text] [Hanoi VNA in English 1524 GMT 11 Dec 85] 12624

HONORS CONFERRED IN GDR--Hanoi VNA Dec 12--Vietnamese Ambassador to the GDR Tran Hoai Nam acting on behalf of the Vietnamese State Council yesterday presented the "Friendship" orders and medals to the Friedrich Schiller University in Jana, the College of Architecture and Building in Weimar, the Central Institute of University Education and five professors and doctors for their great service in training science workers and technicians for Vietnam. Tran Hoai Nam highly valued the efforts made by the conferees in helping the Vietnamese people build their country, thus contributing to the consolidation of the solidarity, friendship and fraternal cooperation between the countries. He also expressed deep gratitude to the party, state and people of the GDR for their precious and effective assistance to the Vietnamese people, in the past as well as at present. [Text] [Hanoi VNA in English 1532 GMT 12 Dec 85 OW] 12624

SAILORS DECORATED--Hanoi VNZ Dec 12--The Vietnamese "Friendship" order has been presented to the crew of Soviet oil tanker "Leninskya Znamya" (Lenin's Banner) of the Primorosk Marine Transport Company for their great service in transporting oil to Vietnam. Captain V Kostichev, had initiated the socialist emulation movement between Leninskya Znamya crew and Vietnamese port workers. The crew have nine times got awards for their achievements in the all-union and all-company socialist emulation movements. [Text] [Hanoi VNA in English 1537 GMT 12 Dec 85 OW] 12624

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PARTY ACTIVITIES AND GOVERNMENT

CONFERENCE REVIEWS 40 YEARS PARTY ETHNIC MINORITY POLICY

Hanoi HANOI MOI in Vietnamese 9 Nov 85 p 1

[Unattributed article: "Summarizing 40 Years of Party Policy on the Minorities in the Capital"]

[Text] Yesterday (8 November), at Giang Vo Auditorium, the Municipal Party and People's Committees held a conference to summarize 40 years of achievement of party ethnic minority policy regarding the minorities in the capital. Attending the conference were representatives of the 17,000 members of the Muong, Dao and San Diu ethnic minorities residing in the eight villages of Minh Quang, Tan Linh, Khanh Thuong, Yen Bai, Van Hoa and Ba Vi (in Ba Vi District), and Ngoc Thanh (in Me Linh District). Also attending were representatives of the Nationalities Department of the Party Central Committee, the Municipal Civilian Proselytizing and Training Committee, the people's committees of Ba Vi and Me Linh districts, and the party and people's committees of the eight villages above.

During the past 40 years, illuminated by the ethnic minority policy of the party, the government and Uncle Ho, the ethnic minority compatriots have firmly coordinated with other fraternal minorities in rising to strike foreign aggressors to protect their villages and build a new life in every aspect. During the period of resistance against French colonialism, 52 families were awarded resistance orders and medals by the government. Included in this number was the family of Mr. Bac Sinh which was awarded the Resistance Order Third Class. Mrs. Bui Thi Cuc (of Ba Trai Village) personally emplaced guns to kill 17 enemy personnel. During the period of resistance against America, three of her children joined the army and she participated at home in a team firing at American aircraft. Ngoc Thanh Village was awarded the Reistance Order Third Class.

When the entire nation rose to strike the invading American aggressors, many ethnic minority families had from three to five children join the army. Examples were the families of Mr. Luc (in Yen Bai Village), Mr. Thia (in Van Hoa Village), Mr. Bat (in Tan Linh Village), and two families in Khanh Thuong Village, etc. Trained in combat, many ethnic minority youths grew into manhood. In Ba Vi, 34 attained the rank of captain or higher. There were 548 war dead families, including nearly 30 with from two to three dead heroes each. The two villages of Minh Quang and Ba Trai were Determined-To-Win Units for 12 successive years.

In production there appeared model and advanced cooperatives in the cultivation of rice, subsidiary food crops and vegetables, hog raising, and afforestation.

Examples were the cooperatives of Dong Tien (in Minh Quang Village) and Yen Hong (in Tan Linh Village). Thanks to application of scientific and technical methods, the cooperatives doubled and tripled rice yields over previous levels. Movements in the raising of large domestic animals, planting fruit trees, raising fish, etc. developed strongly.

The movement to build a new life and the new man has gradually erased the old backward and superstitious customs. Many families have replaced their bamboo houses with tiled homes. In their homes are sewing machines, bicycles, cabinets, wooden beds, etc., and every village has a dispensary, a general school and a child care center. The sick have treatment drugs. Children of age have schools to attend. The culture and physical education and sports movements become increasingly stronger. The arts and letters unit of Minh Quang Village was awarded a gold medal by the city. Ngoc Thanh Village has a library of 1,500 books.

During 1947, the number of ethnic minority party members was very small. There are now 716 (566 Muong, 84 San Diu and 66 Dao). The number of ethnic minority party members in Ngoc Thanh Village rose from an initial seven to 81, 53 percent of the total number in the party organization. For 3 continuous years (1982-1984), the party organization of Ngoc Thanh Village was awarded the strength banner of the Municipal Party Committee. Party, government and mass organizations from the municipal to the village level all have ethnic minorities participating. Three delegates from the Muong, Dao and San Diu ethnic minorities participated in the 9th Plenum of the Municipal People's Council.

Representing the Municipal Party Committe and the Municipal People's Committee, Tran Tan, Alternate Member of the Party Central Committee and Deputy Secretary of the Municipal Party Committee, praised the progress in every aspect of the ethnic minorities during the past 40 years. He reminded them to advance toward true equality with other ethnic groups in the construction and protection of the Vietnamese fatherland and protection of the beloved capital.

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ECONOMIC PLANNING, TRADE, AND FINANCE

CAMPAIGN AGAINST SPECULATION, SMUGGLING LAUNCHED

Hanoi NHAN DAN in Vietnamese 25 Sep 85 p 1

[Text] Ho Chi Minh City has taken many measures in the struggle to manage prices, especially those of agricultural and food products, to strengthen market management and to severely punish speculators and smugglers in order to gradually and firmly establish new order on the distribution and circulation front.

In the past 2 weeks, the city has prosecuted over 2,000 cases of undisciplined infringement of the price list, uncovered hundreds of cases of speculation and hoarding and seized large quantities of goods including fabrics, sugar, cigarettes, monosodium glutamate, milk, metallic, electrical and mechanical equipment, aquilaria agallocha, and so on. More than 50 speculators, smugglers, hoarders and persons guilty of devaluation have been sentenced from 1 to 12 years in prison. All cases of price list violation, speculation and hoarding have been tried openly and this measure has been acclaimed by laborers.

In the First Precinct, the market management board and the responsible sectors have coordinated with the Youth Union assault force to inspect prices at major markets in the precinct, marketing cooperative shops and business cooperation shops. The precinct is now motivating small traders to oppose price escalation and smuggled merchandise concealment. According to the severity of his particular case, an offender may have his business license revoked. Vehicle parking lot guardians, restaurants and beverage shops are forbidden to raise prices by rounding them off following the new currency exchange.

In the Fifth Precinct, the market management board and local market managers have educated and urged thousands of small traders to strictly observe the price list and to join forces with the state in detecting smuggling and sabotage dens.

Since the currency exchange day, more than 300 households concealing large quantities of smuggled goods have been discovered; 53 such cases involving over 500,000 new dong have uncovered just in the Sixth Precinct. Many other cases of speculation and smuggling have also been uncovered in the 10th and 17th subwards of the 1st Precinct, in the 1st and 5th subwards of the 5th Precinct, and in the 19 subward of the 3rd Precinct. In the First Subward of the Sixth Precinct, following tips given by young people, the subward Youth Union charter obtained a sketch of households around the Binh Tay market who lent their houses for concealment of smuggled goods and who had been doing business without registration certificates. As a result in only 1 day the inspection team discovered 4 smuggled merchandise depots valued at more than 100,000 new dong.

To hoard goods, dishonest traders have resorted to many tricks. One day, they ordered their henchmen to launch the rumor that "the state would destroy the former 10-dong banknotes"; they did so with the intention of enticing thoughtless people to use this money to buy whatever kind of goods, thereby emptying state stores. Once these stores had been exhausted, they would dump their hoarded goods on the market to sell them at high prices. This was their scheme to collect cash. They never hid goods in their own houses but rented other places for concealment. Usually, they chose the houses of cadres or poor laborers. It was with this intention that Duong Kim H. hid 363 kg of electronic equipment at a place 4 km distant from his own house. Some cunning persons hid their goods in public buildings to avoid the perspicacity of city people cells. In particular, Vu Cao. T. rented a hospital morgue to conceal his smuggled goods. However, all the crafty tricks of these people have been and are being exposed and dealt with appropriately by the Ho Chi Minh City people.

The municipal bank has quickly issued enough capital to more than 100 factories, enterprises and district commercial establishments to promote production and expand business activities. In the Third Precinct, after the shutting down of over 270 coffee and beverage shops, 274 households dealing in general merchandise, wooden furniture and building materials have been grouped into 12 business cooperation shops with 54 retail stations located in the main streets of the precinct. Attention has been paid to serving laborers. The district has opened popular restaurants and rapidly distributed fresh commodities and industrial goods to subwards, thus preventing major price fluctuations.

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ECONOMIC PLANNING, TRADE, AND FINANCE

DO MUOI ADDRESSES CONFERENCES ON INDUSTRY

BK111352 Hanoi Domestic Service in Vietnamese 2300 GMT 3 Dec 85

[Unidentified radio editor's report]

[Text] The Council of Ministers has recently held conferences in Hanoi and Ho Chi Minh City to discuss the study and implementation of the resolution of the eighth Central Committee plenum and Political Bureau Resolution No 28 on prices, wages, and money in the state-run industrial sector. Attending the conferences were the ministers and vice ministers of the ministries in charge of production management and other ministries concerned; vice chairmen of the people's committees and directors of the industrial services of various provinces and of the municipalities and special zones directly subordinate to the central government; general directors of united enterprises and enterprise complexes; and directors of a number of industrial enterprises of the central government, Hanoi, and Ho Chi Minh City.

Comrade Do Muoi, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers, presided over the conferences.

The conferences heard reports by delegates from various provinces and many United enterprise general directors and enterprise directors on the results and experience they had obtained in improving the managerial mechanism in accordance with the resolution of the sixth party Central Committee plenum, Resolution No 146/HDBT of the Council of Ministers, the resolution of the eighth party Central Committee plenum, and Resolution No 28 of the Political Bureau on abolishing bureaucratic centralism and state subsidies, switching to the system of socialist economic accounting and business transactions, and implementing the new policy on prices, wages, and money at the grass roots.

The conferences noted with great satisfaction that, in 1985, despite many difficulties, various establishments, by bringing into full play their sense of collective mastery and actively exploiting all sources of supplies and owing to the initial implementation of the new managerial mechanism, still stand a good chance of fulfilling their industrial production plans. Good models of economic accounting have been developed such as the Lam Thao superphosphate plant, a hero unit. Concerning the efforts of enterprises to procure for themselves a substantial amount of key materials, they have also good models such as the Union of Textile Enterprises and the Minh Khai textile mill in Hanoi, the Southern Detergent and Cleanser Corporation, and the Southern United Steel Rolling and Refining Enterprises. Many provinces such as Phu Khanh, Nghia Binh, Haiphong, Guang Ninh, Vinh Phu, and so forth, have guided the implementation of the new policy on prices, wages and money in their local industrial sectors consistent with the local actual conditions, thereby ensuring the continuing development of production.

Drawing on the practice of their establishments, various enterprise directors contributed many useful suggestions to the implementation of the policy on prices, wages, and money and the perfection of the new managerial mechanism in the state-run industrial sector. At the same time, they also pointed out the shortcomings -- of their own establishments as well as of various managerial organs, supply and service agencies, and consumer organizations -- to be overcome in guiding, assisting, and serving the basic units in their efforts to develop production and improve management according to the new policy on prices, wages, and money.

Summing up the conferences, Vice Chairman of the Council of Ministers Do Muoi warmly commended the efforts of various sectors, localities, and establishments that had striven to fulfill the 1985 production plan and implement the new managerial mechanism and the new policy on prices, wages, and money. He welcomed the suggestions contributed by the participants aimed at perfecting the new managerial mechanism.

Dealing with the implementation of the sixth and eighth plenum resolutions in the state-run industrial sector, Comrade Do Muoi stressed: All cadres, workers, and office employees of the state-run industry sector must deeply understand that these resolutions represent a very drastic change in managerial work and that everyone must actively strive to implement them at any costs. The situation in the immediate future is still difficult. To overcome these difficulties and create favorable conditions for seriously implementing the new policy on prices, wages, and money and promoting production and business activities, first of all the establishments themselves must make persistent efforts, highly develop their sense of collective mastery, and take the initiative and display creativity in stepping up production and improving management.

The most basic task is to rearrange and reorganize production, make every effort to develop production by fully exploiting all sources of supplies as well as the locally available and imported raw materials; actively apply advanced techniques to produce new kinds of goods of better quality to suit the public's taste; absolutely economize on raw materials, fuel, and supplies; and link production with the sources of supplies and consumption in formulating production plans.

The most effective pattern of goods production must be adopted for each specific period of time. Dynamic and timely management must be administered in production so as to increase output to meet the demands of society, fulfill the obligations imposed by the state, and achieve high efficiency.

Management must be strengthened and improved. Every effort must be made to reduce production expenses to a reasonable level so as to cut production costs. At present, this must be considered as a pressing task of all establishments. The system of producing goods under contract must be widely implemented. Real income must be linked with useful labor; labor discipline must be strengthened; the practice of reporting for work late and leaving early, spending much time for shift changing, and neglecting official work while caring for personal affairs, and so forth, must be put to an end. At the same time, the organization and labor force of production establishments as well as of the upper-level managerial apparatus must be revamped to make them more rational, all redundant labor forces must be reduced, indirect production forces cut down, and unnecessary intermediary components eliminated so that production work can be guided as directly, promptly, and effectively as possible, thus ensuring that everyone can contribute to creating much wealth for the country.

To effectively support production, we must revamp the circulation process as well, establish direct relations between one production establishment with another and between production and consumption. These relations must be based on economic contracts in which responsibilities are clarly defined and fair bonuses and penalties are provided for. In the procurement and service organizations designed to support production, we must abolish unnecessary intermediary links and do away with irregular taxes and state procedures instituted by various sectors and localities themselves as well as all irrational appropriations of the supplies, raw materials, and fuel destined for production.

In the process of goods consumption, we must gradually switch to the system allowing large retailing corporations and establishments to receive goods directly from production establishments according to distribution plans already approved. This system must be applied on an experimental basis in a number of big cities. All sectors and levels must actively assist and support the establishments in their efforts to develop production, practice economic accounting, and cut production costs. They can do so by strengthening control over the domestic market, eliminating the speculation and trading of the means of production and consumer goods, [garble] to transform private industry and trade, strengthening control over import and export activities to protect local production, enhancing the state's managerial work, stabilizing the situation, and restoring economic order. The organizations charged with serving production such as the power, supply, transportation, banking, home and foreign trade sectors, and so forth, must change their business procedures, strictly carry out the economic contracts signed with the various industrial branches, and overcome all negative phenomena.

The responsible state organs must promptly improve their work, increase their liquid assets; enhance their credit services, wages management, price control, and so forth. All these measures must be carried out in a well-coordinated manner, with a high resolve, and on the basis of bringing into full play the aggregate strength of the mechanism of the party's leadership, the working people's mastery, and the state's management. In the immediate future, we must strive to fulfill the 1985 plan and satisfactorily prepare for the 1986 and 1986-90 5-year plans.

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CSO: 4200/160

ECONOMIC PLANNING, TRADE, AND FINANCE

DEVELOPMENT OF ACTIVE ROLE OF PRODUCTION UNITS DISCUSSED

Hanoi NHAN DAN in Vietnamese 25 Sep 85 p 2

[Text] [Editor's Note] Recently, at the office of NHAN DAN editorial staff, the Ministry of Industry and NHAN DAN organized an exchange of views on "problems to be solved while shifting to the new management mechanism according to the spirit of the resolution of all eighth Planning of the Central Committee [Hereinafter "Resolution"]." Attending the meeting were more than 30 directors of large factories and directors general of enterprises and general corporations representing consumer and export goods production installations in the light industry sector. Also present were many economists and comrades working in centrally run commissions and sectors and in departments and institutes of the Ministry of Light Industry.

The exchange of views was lively, enthusiastic, frank and open-hearted and centered on main topics of the "resolution" and on difficulties, opportunities, things to be avoided and tasks to be done. [End of editor's note]

Resolute Shift to the New Mechanism of Economic Accounting and Socialist Business

All directors and general directors believed that the "resolution" is a profound revolutionary shift in our party policy on economic management. The fact that the "resolution" advocates abolition of bureaucratic centralism and state subsidy and recommends complete shift to economic accounting and socialist business fully answers the aspirations of production installations and the entire people because the new mechanism will create favorable conditions for further development of our country's economy.

All speakers mentioned the protracted serious harm done by bureaucratic centralism and state subsidy to production and business as well as to the laborer's lifestyle and ethics. The production mechanism based on supply, distribution and delivery has prevented installations from developing their right of ownership. When a director who did not know the exact amount of loss and profit for lighted firecrackers at the festival to celebrate the plan completion, it was at the very time when his enterprise was suffering great losses. Accounting and business activities were of a phony nature because data and figures were frequently tampered with and even invented. For example, the director of the Haiphong Wool Factory said that when the factory experimentally took salaries under the forms of goods in kind into account in calculating production costs in 1984, the accumulated capital came only to 10.6 million dong but higher level agencies confirmed that it was 25.4 million dong as mentioned in the report submitted by the factory. Le Xuan Dai, director of the Hai Duong Ceramics Factory pointed out that the subsidized wage system neither had a stimulating effect on the labor nor acted as an economic incentive to help the director maintain production and fulfill the plan. On reckoning, it was found that at this factory every dong of salary was accompanied by 6 dong of allowances (midshift meal and reward for each day worked) and from 10 to 12 dong of salary paid under the form of goods in kind (9 categories of supplied goods). To date, the director has not been allowed to use such a large amount of money to manage the labor force and this sum has had nothing to do with productivity, quality and the result of production and business. It is clear that for many years wages--an extremely important economic stimulus--have lost any effect. All directors noted that we still have immense, untapped possibilities of stepping up production: Much of the capacities of machines and equipment is still unused and it is still possible to substantially reduce material consumption for each product unit and to highly increase the volume of product and improve its quality; cadres and workers are experienced and have professional skills and a revolutionary spirit and our Vietnamese people are intelligent. We can progress if we have a sound management mechanism in which the initiative of production installations is developed.

Need for General and Operational Sectors To Rapidly Improve Their Working Method

The problem of developing the creative initiative of production and business units and vesting them with financial independence is not entirely new. According to the directors, this problem has long been raised by our party and government and emphasized especially in the resolution of the party Central Committee's Sixth Plenum (Fifth Term) in the summer of 1984 but this policy has not yet been implemented eagerly and strictly. Our comrades cited numerous evidences showing that the delay in correcting old policies and promulgating new ones has caused so many obstacles and difficulties to production installations that enterprises and their federations have been unable to exercise ownership in production and to contribute to mastering the market. It can be said that so far the management mechanism is still burdened with bureaucratic centralism and state subsidy, that it still puts too many restrictions on production installations and that it has failed to develop the latter's active and creative role and simultaneously to secure unified centralist management by the central level.

With the new price-wage-money policies indicated in the "resolution," all directors, production installations and enterprises have realized that from now on we will really enter a new stage--one which will be marked by the shift to the implementation of the new management mechanism, which will compel all laborers, production installations and enterprises to work according to the economic accounting and socialist business method, and which will require that labor result in high productivity, quality and efficiency. Only by abolishing state subsidies to prices and wages can we pave the way to assault the blockhouses of the bureaucratic state subsidy mechanism, but to continuously attack and smash the old mechanism as a whole and to completely establish the new one, we will need many policies, systems and regulations on developing the production installations' right to take initiative. In this respect, the directors are hoping very much for a rapid change by general and operational sectors.

Right to Take Initiative in Planning

When speaking about updating the management mechanism, every director referred to planning. Everyone agreed that planning should be the central task of management and the principal instrument to direct production, accounting and socialist business. For many years, however, planning has proven unrealistic because it has not been based on the actual strength of the state and production installations and has thus limited the latter's dynamism and creativeness. The supply-distribution-delivery system has really hardened the arteries of planning and created an expectant and dependent psychology; there has been a failure to exploit many potentials and to meet daily needs; work was done as long as supplies and raw materials were available and whenever they ran short, the higher level would adjust and lower the plan norms so that production installations, recognized nonetheless as fulfilling the plan and rewarded, would hold a "festival" party. Planning must be updated by abolishing bureaucracy and state subsidy and be linked to economic accounting and socialist business. At the same time, due attention must be paid to relationships between the plan and the market and prices. Han Duc Duoc, director of the Sundries Corp, pointed out that planning belongs to the concept of awareness while the markets falls within the domain of spontaneous development. To link planning to the market is to use awareness to control and regulate spontaneous development. This is both the science and art of managing and directing production. Our comrade proposed that the plan assigned by the high level to a production installations be divided into two parts. The legally compulsory part is that portion of the plan which is assigned by the state, which includes all or most material supplies and which requires the production installation, willy-nilly, to strictly implement the fixed plan norms. The other part of the plan requires the production installation to obtain by itself all or part of the essential materials through joint ventures or economic alliances; this part must be left to the discretion of the production installation which will choose a production plan of its own and have the right to participate in fixing prices and deciding on a production consumption method. The core of this part is that the production installation must harmoniously combine the three interest of the state, collective and laborer.

Concerning the plan norm system, Dao Duc Thanh, director of the Cau Duong Lumber-Matches Combine proposed the use of only two norms--value of goods obtained and accrued accumulation--and said that the other norms should be merely guiding ones. According to him, the plan assigning method should also be updated by abstaining from going too deeply into details and into specific tasks of the factory and by having the state order goods by contract with the production installation or associate itself with the production installation so that both parties will assume material and legal responsibility for plan execution. Based on the actual situation of production in many years past, Bui Van Long, director general of the Textile Enterprises Federation, criticized the harmful effect of the bureaucratic method of assigning plans which restricted and hampered the dynamism and creativeness of textile factories and caused great waste because of the unmarketability of manufactured products; for example, large quantities of fabrics are still in stock and cannot be sold because they are not to the liking of consumers. Is it better to assign the plan to the textile sector by applying legally compulsory norms only to the production of fabrics for the army and of labor safety fabrics and export fabrics to meet merchandise orders by foreign countries and by fixing quantitative norms only for part of the plan that covers the production of fabrics for domestic consumption (approximately more than 200 million meters)? And is it better for the state to allow the production installation to decide on patterns of merchandise and kinds of fabric after studying the market and consumer predilections? No one else knows more about a factory than its director and no one else understands the consumer and the market more deeply than the production installation so that it is unwise to direct plan implementation too meticulously from a faraway center. The newly calculated manufacturing cost of 1 meter of fine linen is higher than the free market price. Even if the same material expenses are incurred, it will still be possible to sell these fabrics at a higher price and the consumer will still be inclined to buy them if the production installation is allowed to display dynamism and creativeness and to improve the colors and designs of fabrics.

This method will compel the production installation to do research prior to adopting a production plan and to make sure that the goods produced will be valuable and have a high use value. Only by doing so can one carry out production and do business effectively.

Production Costs and Prices

This is a hot issue, a central breakthrough of industrial enterprises in abolishing state subsidy and shifting to economic accounting and socialist business. To many directors, this is a great revolution in enterprise management, a very fierce, complex and hard struggle which requires everyone to change his thinking pattern and working method and to resolutely fight in all aspects--labor management, technique, materials and capital--in order to increase productivity, improve quality and lower the manufacturing cost of products. All the directors approved and supported the gradual performance of accurate accounting with inclusion of all production expenditures in manufacturing costs, and criticized the disassociation of production costs from merchandise values and prices. To do this well, the directors fund that they should, on their part, tackle a lot of work, such as reorganizing production, rationally employing the labor force, strictly economizing materials, energy and capital, improving product quality and making technical investments to increase labor productivity. However, it worried most directors that in the near future, along with V (value of human labor), various types of expenditures for C1 and C2 (equipment, supplies and raw materials for production) should increase many times while labor productivity would still remain low, while equipment would still be old and backward and while it would still be impossible to mobilize equipment capacities to a large extent so that the manufacturing costs of certain products would rise and affect their selling prices. Would these products be accepted by society? How were their selling prices to be fixed? These worries are hanging heavy over production installations. A perfect product of any enterprise is closely related to many national economic sectors: in particular, consumer products are governed by almost all agricultural, forestry, industrial and chemical sectors. The current common trend among all sectors is to calculate production costs exactly and completely. But if irrational calculations raise production costs in any one sector, this move will badly affect production costs in others, especially the light industry sector which manufactures the final consumer product for society. It is suggested that the state take measures to tightly and accurately supervise and guide all sectors to establish a new pricing level and to strictly enforce pricing discipline throughout the country, especially as far as the industrial, raw material and energy sectors are concerned. Another difficulty is how to calculate production costs completely and accurately while production conditions fluctuate frequently and lack stability and while the problem of labor surplus in factories is not yet resolved. For this reason, it is suggested that economic laws be strengthened, that signed contracts be respected and that order be reestablished in the process of providing supplies, raw materials, and so on.

Concerning the manufacturing costs of products, the directors of the Hong Ha Stationery Factory, Cau Duong Lumber-Matches Factory, Textile Mill 8-3, Hai Duong Ceramics Factory and Haiphong Enameled Iron Factory proposed that the state should fix the prices of products only if it provided sufficient material conditions for production installations and that factories should have the right to participate in determining the prices of other goods which they produced on their own. So far the examination and approval of prices have been very bureaucratic and time consuming and have hampered production and even caused missed opportunities. No one else can understand an enterprise better than the enterprise itself. The price fixed by the enterprise always corresponds to the abilities of the consumer unit. If the product is of poor quality and expensive, it will be unmarketable and the enterprise will be forced to seek means to change the type of goods, to improve quality, to increase output and to lower the production costs. We must not prolong the situation where the buyer and seller are not allowed to fix prices while the third party who does not buy goods continues to decide their prices. Prices, manufacturing costs and internal account balance rates can be accurately assessed only in the production process and through the real activities of production installations and enterprises and not at meetings and debates at a summit agency in Hanoi. Tran Minh Ngoc, director of the Nam Dinh Silk Factory, testified that it is possible to sell at a profit all goods made by the factory under the new pricing system. For 4 years, by its own efforts in self-sufficiency, the factory has calculated manufacturing costs rather comprehensively while developing production and doing a brisk business. Since domestic customers have recognized that satin produced by the factory is much better than fabrics made in many other countries, consumers have accepted the fact that its selling price is close to the market one. This is because the factory had taken initiative, displayed creativeness and sought to understand the consumer's needs and likings before planning to produce specific goods. The production of enameled iron ware by the Haiphong Enameled Iron Factory and that of synthetic fabrics by the southern textile mills have also been done in a similar way.

While pointing out difficulties, all directors affirm that it would be compulsory and necessary to gradually apply the method of calculating production costs completely and accurately and that all managerial and technical measures should be taken to implement this policy very satisfactorily according to the "resolution" spirit.

Finances, Credits and Banking

The directors spoke a great deal, sometimes sarcastically, when criticizing the sluggish and conservative mechanism and working method of banking and financial agencies which have restricted production. This system has seriously violated the directors' rights to organize production and business. Many directors proposed that enterprises be entitled to borrow capital including foreign currency to invest in and develop production and business. Loans must be effected quickly and neatly without troublesome, overbearing and unilateral formalities so that financial and banking agencies and production installations may jointly turn money to profit quickly. It is necessary to immediately divest a bank officer to the right to issue a loan only after compelling a director to spend several sessions submitting reports, economic and technical theses and production and business plans and only after obtaining satisfaction from all points of view. Since the bank deposit of an enterprise comes from the latter's capital and fund, the bank must promptly and fully meet the enterprise's expenditure needs. Since the bank's function is to keep money and credits and make payments, it must not intervene too deeply in the enterpise's management and expenses. It is unwise to turn the "account owner" into the "account servant." It is necessary to oppose all troublesome, obstructive and complicated formalities in money management, to extend the enterprise's right to use cash and to carry out uniform activities in using cash or transferring money to another account within the limits prescribed by plan. The financial agency must not meticulously fix the amount of money to be used by the enterprise to buy a bouquet and a bag of tea to receive visitors. Many directors proposed that a percentage should not be fixed for the use of three funds in each enterprise and that the enterprise director should be given the right to use them according to requirements of the production task and plan, provided the ultimate objective of this use be production development. The directors of export goods enterprises suggested that to implement the new mechanism effectively, it would be necessary to give installations more rights to take initiative, and also to create favorable conditions for them to use their foreign currency capital. The foreign currency exchange rate should be examined on the basis of the new pricing plane, otherwise enterprises producing export goods would frequently suffer "losses." Because the exchange rate was fixed too low in the past, enterprises earning foreign currency had to submit an explanatory report when requesting a "compensation for losses." Installations producing export goods should be allowed to approach the foreign market or customer easily and conveniently. Only by doing so can one make production and business timely and highly effective.

Labor and Wages

Distribution according to labor is the most equitable, rational and humane method of distribution. As a consequence of the state subsidy system, many people have relied on enterprises to earn their living. Now that the new distribution mechanism and new wage system are to be implemented, there will be a fairly large surplus of labor. In the textile sector alone, the production line will have a surplus amounting to about one-third of the current total of 90,000 cadres and workers. The Hai Duong Ceramics Factory will also have an excess of a few hundred out of a total of over 1,600 cadres and workers. Labor surplus is now a huge, highly complicated problem which enterprises are at a loss to resolve and which has been a headache for many directors and given rise to many annoying suits at law. High-level agencies must work out systems and policies to help production installations resolve this problem according to sentiment and logic. In the past, there were instances when acceptance, recruitment and employment were not based on production requirements and when many workers were unqualified and employed contrary to their professional skills. At present, classifying workers according to their qualifications and organizing them according to their professional skills will be a complex task which must be done and how to do it according to sentiment and logic will be a problem requiring solution. Le Thi Nhu Hao, director of Textile Mill 8-3, pointed out that one way to solve this labor problem was to open auxiliary production workshops but these workshops could not employ many laborers and that despite their low labor productivity in this type of work, these laborers received high salaries. These directors proposed that the high level should quickly promulgate regulations enabling factories to effectively use existing laborers while maintaining productivity, quality, production and business and avoiding disrupting the life of cadres, workers and civil servants. For example, the weavers' length of service should not be prolonged as stipulated in the former regulations according to which persons whose eyesight acuity and limb motility had declined had to "wait" at auxiliary workshops to complete the length of service required for retirement. This system would make it difficult to calculate wages and to apply the principle of distribution according to labor. Concerning the wage problem, many directors suggested that enterprises should be allowed to use uniform methods of paying wages to each category of worker and each type of work according to the principle of distribution according to labor. It is necessary to readjust wages according to the workers' grades and individual working abilities and by applying progressive norms of labor performance. Allowances paid under the favorable treatment policy should be separated from the wage fund and borne by the social subsidy fund.

Updating the enterprise management mechanism according to the spirit of the "resolution" of the party Central Committee is a managerial revolution requiring uniform solution of numerous problems related to many sectors and levels. Changes must be effected from high to low echelons, first by the high level. Though being merely preliminary and incomplete suggestions, the directors' ideas converged on one point: In view of the very great difficulties and complexities to be encountered in adopting the new management mechanism, to carry out production effectively, to develop economy and to permit a real shift to this new mechanism, the general and operational sectors concerned should urgently change the old bureaucratic and restrictive policies and quickly formulate new ones; otherwise, we will see again the sight of "fence breaking" by the every unit, production installation and enterprise and we will revert to the state of bureaucratic subsidies on a level with the new price and wage system.

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ECONOMIC PLANNING, TRADE, AND FINANCE

HOAN KIEM WARD EMPHASIZES MARKET MANAGEMENT

Hanoi HANOI MOI in Vietnamese 9 Nov 85 pp 1, 4

[Article by Pham Van Hong, Chairman of the Hoan Kiem Ward People's Committee: "Implementing Resolution on Prices-Wages-Money, Hoan Kiem Ward Builds, Develops Socialist Commerce, Promotes Transformation, Market Management, Resists Speculation, Smuggling, Manufacture of Counterfeit Goods"]

[Text] Hoan Kiem Ward, center of the capital of Hanoi, has a number of large communications hubs and is a location of concentrated commodity interchange for the entire country such as the always crowded Dong Xuan-Bac Qua Market, not counting the more than 8,000 small merchant families, causing distribution, circulation and market and price management many additional difficulties and complexities.

Recognizing its responsibility in the development of socialist commerce, the strengthening of market management and the transformation of privately operated commerce within the ward aimed at serving the daily lives of the people and the cadres, our ward people's committee during the recent past has supervised and organized the various echelons and sectors in the ward in synchronized achievement of their missions.

First of all, to build a commodity fund, the ward people's committee established a production guidance committee with the mission of material exploitation in excess of the plan, commodity circulation, and organization of production cooperation between associations of small industry and handicraft cooperatives and trade corporations, comprising many consumer goods with a gross value of nearly 10 million dong. The ward association of small industry and handicraft cooperatives has established six stores for the acquisition and purchase of discarded materials and rejects, has been able to purchase more than 50 tons of scrap plastic, and has developed subward shops to produce goods consistent with the position of strength of each subward. Shops in the subwards of Hang Bai, Dong Xuan, Cua Dong, etc. are units organizing good production, swiftly producing new commodities, and serving the consumer requirements of people and cadres in the subward.

Implementing the policy of price subsidies to wages, the ward people's committee concentrated supervision and established subcommittees to reexamine the previous supply situation. Through the shift from in-kind wages to payment in money, we discovered 3,107 erroneously qualified individuals and reduced the monthly issues by 13 tons of grain and 11,400 dong in new currency.

Correctly realizing and evaluating the situation level during the new period, we have shifted course in the supervision of public security, trade, tax, etc. sectors to coordination in market management and resisting speculation and smuggling. The ward public security forces have organized the investigation, reexamination and classification of four objectives (speculators and smugglers; the professional faction; degenerates and deviants in agencies and enterprises; and the agencies without a trade function), and have followed and launched broad movements of the masses to participate in market management. Thanks to this, fairly good initial results have been achieved in stabilizing the market and resisting speculators and smugglers. During the first 9 months of the year, ward inspection and control forces have levied on-the-spot fines in 13,057 cases, including 2,212 cases of selling at inflated prices, to collect 67,572 dong in new currency, and have simultaneously discovered and prosecuted hundreds of cases of speculation and smuggling and confiscated the commodities with representative cases published in recent issues of HANOI MOI. During the month of October alone, ward market management forces directly uncovered 83 cases of speculation and smuggling and confiscated goods worth nearly 1.5 million dong in new currency. With synchronized cooperation between inspection and control forces in coordinated education of private merchants with methods of administrative processing and mass mobilization, no major changes have occurred during the recent past in the prices of agricultural product and food commodities.

Developing the results attained and correcting tasks not yet properly accomplished, we have completed formulation of a market management and transformation plan, considering it a program of action from now until the end of the year.

Our ward has and is exploiting raw materials in excess of the plan and will deliver hundreds of tons of plastic to the small industry and handicraft cooperatives to manufacture many consumer goods worth tens of millions of dong, is organizing trade corporations to exploit food and industrial goods sources, and is opening an additional four stands in Dong Xuan Market.

Besides the 20 old grain stores, the grain corporation has repaired and developed an additional two or three points to sell goods processed from grain such as bread, noodle cakes and shrimp paste, and has organized the requisition and purchase of grain at Bac Qua Market.

Regarding the food and beverage network, we have developed an additional 20 mobile points for the sale of various types of cakes and ethnic and ordinary dishes.

The subward market cooperatives are being strengthened. A number have and are inspecting and gaining experience to supervise the marketing cooperatives in supporting service in the proper course and the processing of agricultural products, shrimp, crabs, snails, frogs, frozen beans, beancakes, melons, egg plant, pepper sauce, etc. aimed at properly serving the requirements of and consistent with the pocketbooks of cadre and people within the area. We are maintaining and will expand the number of locations for butchering hogs in the subwards with city permission aimed at answering the pork requirements of the people.

The service network has an additional 10 points. The service and cultural center at 40 Nha Chung Street and a stand selling fresh flowers in front of the water pavilion are being urgently completed. A number of wedding costume and equipment departments have been organized in the Nguyen Sinh, My Kinh and 30-4 Hotel stores. There will also be additional stores for the rental of food utensils and the repair of electrical appliances and leather and canvas goods, especially leather shoes and sandals. The barber and beauty shops and bicycle and motorcycle repair points are being rearranged.

Our ward has established a guidance committee for market management and transformation. The ranks of market management cadres have been streamlined and their functions and missions are more specific. Each corporation establishes a transformation office with the mission of investigating and managing every business activity of the private merchants so that we may soon transform, arrange and continue joint sales enterprise with a number of major goods sectors (dried goods, sundries, rattan, woven bamboo, etc.) in the Dong Xuan-Bac Qua Market area. We are striving to complete transformation of Dong Xuan Market by the end of this year with seven goods sectors entering business cooperation. In conjunction with the task of opening state stores to sell mats on the streets, we have established pilot projects in business cooperation, first of all in the straw mat sector and then in ready-made clothing, and have organized the requisition and purchase of agricultural products at Hang Co Station. The construction of Hang Da Market and the repair of other markets are being actively prepared.

Market management units are coordinating with sectors and organizations in the regular inspection of price posting and sales in accordance with posted prices. Serious violations will and must be severely punished, including halting the business operation and legal prosecution. Cases of speculation, smuggling and manufacture of counterfeit goods must be severely punished.

We are striving to properly achieve the important tasks above in order to successfully achieve the norms and missions of the ward set forth this year, and to create a favorable momentum for the years to come.

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AGRICULTURE

EARLY DECEMBER AGRICULTURAL ACTIVITIES REVIEWED

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[Text] Following are some of the salient features of agricultural production during the first 10 days of December:

To date, the northern provinces and cities have basically finished harvesting the 10th-month rice. In general, rice output has reached or exceeded the plan norms. The southern provinces have harvested more than 20 percent of the main 10th-month rice acreage, with Song Be, Minh Hai, and Tien Giang as the fastest provinces in harvesting. Ben Tre, Hau Giang, Long An, Tay Ninh, and Thuan Hai Provinces have harvested only 10 percent of the planted acreage. In general, the 10th-month rice crop in the southern provinces and cities is developing well. Paddy yield in the harvested areas has reached 30 quintals per hectare. Localities are concentrating efforts on quickly and neatly harvesting the ripe rice while promptly controlling rice pests in the fields under the late 10th-month rice.

Regarding winter-spring crop production, the northern provinces and cities have concentrated on sowing seeds of the main spring rice crop over the past week. Some localities finished this work on 10 December. Localities have slightly accelerated soil preparation for the fifth month-spring rice crop over the past week, but the pace of preparing the soil has remained slower than in the same period last year and far from meeting the plan requirements. This slowness has been due to the wetness of fields, the very high cost of plowing by tractors, and the fact that many localities have not rented tractors but have used the cattle as draft power.

The southern provinces have continued to harvest the 10th-month rice while transplanting the winter-spring rice. To date, they have transplanted more than 200,000 hectares or nearly 30 percent of the planned acreage. The best seasonal period for transplanting the winter-spring rice in the southern provinces will be over very soon, but a fairly large acreage of ricefields has remained uncultivated. Localities are now concentrating efforts on accelerating the pace of transplanting so as to transplant the entire area on schedule.

According to the Ministry of Agriculture, the northern provinces and cities have finished planting winter crops and are continuing to plant spring vegetables and subsidiary and industrial crops. Despite their great efforts, they have planted only 50 to 60 percent of the winter crops' acreage because of difficulties regarding the soil and seeds. The planned area for corn and sweet potatoes has been exceeded. Winter crops are developing fairly well. Hanoi and Vinh Phu will possibly achieve a bumper winter corn crop. The freshly cultivated area of industrial crops has attained nearly 15,000 hectares, or 80 percent of the area planted in the same period last year. The pace of planting winter-spring vegetables and subsidiary and industrial crops in the southern provinces is slower than in the same period last year. The planted area of corn has decreased by more than 10,000 hectares, that of sweet potatoes by more than 4,000 hectares, that of beans by more than 4,000 hectares, and that of soybeans and peanuts by half.

Since the acreage of winter-spring crops in the southern provinces is large, it is necessary to accelerate the pace of cultivation in order to fulfill the plan norms. As a result of rainstorms during the past days, many networks of irrigation canals and ditches have been damaged. Localities have launched an all-people movement to excavate canals and ditches and to repair the damaged ones and even the pumping stations in order to secure sufficient water for the fifth month-spring rice crop, especially the spring rice, in the days ahead.

According to the Meteorological and Hydrological General Department, the northeastern monsoon began blowing tonight, the weather has turned cold, the cold spell may last 3 or 4 days, and the temperature may drop some day to 15 degrees Centigrade. For this reason, the northern provinces should pay attention to protecting rice seedlings from the cold weather, tending the planted winter crops, accelerating the pace of soil preparation, and taking good care of the cattle. The southern provinces should concentrate on quickly harvesting the ripe 10th-month rice and transplanting the winter-spring rice while striving to finish rice transplanting on schedule, and fertilizing and protecting the late 10th-month rice crop from harmful insects and rainstorms which are currently prevailing in the southern region.

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HEAVY INDUSTRY AND CONSTRUCTION

SYSTEMATIC TRAINING OF CHEMICAL CADRES, WORKERS DISCUSSED

Hanoi CONG NGHIEP HOA CHAT in Vietnamese Aug 85 pp 17-19

[Article by Engineer Phan Si Cat, deputy chief of the Cadres' Organization and Training Section of the Chemicals General Department: "Some Thoughts About Training Chemical Cadres and Workers in 1986-1990"]

[Text] The training and advanced training of cadres and workers are highly important tasks which must be carried out constantly with the dual objective of raising the standard of the present managerial and productive forces and providing a new, highly skilled and well-qualified work force to promote the chemical sector's development. Moreover, training and advanced training must reflect the party-state policy toward cadres and require that due attention be paid to individuals having leadership, managerial, and special capacities and that a body of successors be prepared to hold various positions in management, production, and research. It follows that the training and advanced training of cadres must have a clear-cut direction and specific plan for each period of time and that measures must be taken to ensure their effective implementation.

I. A Few Remarks About Cadres and Workers of the Chemicals General Department and Assessment of Their Present Situation

In the past, the training and advanced training of cadres and workers had no specific guidelines and plans were carried out in a patchy and passive manner. As a result, so far the assignment of cadres and workers to various regions, sectors, and professions according to their standard of specialized knowledge has been unproportionate and somewhat irrational.

One of the most outstanding characteristics is the great concentration of professional cadres in production installations in the delta, especially in Hanoi and the adjoining regions. Compared with the total number of cadres, workers, and civil servants--cadres having a college and middle school education and residing in the above-mentioned areas represent 13.93 percent, whereas this ratio is only 10.5 percent in the midlands and mountain regions which have important installations to exploit chemical resources and produce fertilizers but do not have enough cadres. Many irrationalities can also be found in the percentage of cadres and workers employed in various production sectors. In the chemical production sector, the average ratio is 14 to 16 percent--that is, for every 6 or 7 workers, there is only 1 cadres; in the mining sector, this ratio is usually 7 to 8 percent--that is, for every 10 to 12 workers, there is only 1 cadre. The ratio of cadres with college degrees to those with middle school graduates is too high in comparison with that in other countries. In some production installations, this ratio is as high as 1.31:1 and it drops only to 0.6:1 even in enterprises where it is considered lowest. This situation has caused very great waste and has, at the same time, made it impossible to fully develop the capacities of each category of cadres who should otherwise have been assigned to more suitable positions according to their individual aptitudes.

Concerning the workers' numerical strength, due to immediate production requirements, in recent years many untrained workers have been immediately assigned to the production line, which has resulted in lowering the ratio of technical workers. In the largest factories and mines, technical workers now represent only 67.8 percent [of the total number of workers]. In general, this ratio is much lower throughout the sector. Many workers have been employed as technical ones after undergoing only short-term training; worse still, in certain places, they have been classified not in Grade 1 but right away in Grade 2. At present, the ratio of Grade 1 and 2 workers represents as much as 40 percent. A matter of concern is that many insufficiently trained workers have been obliged to operate complex, modern, and expensive machines and equipment (power shovels, bulldozers, and generators). This has seriously affected both labor productivity and safety (and consequently production cost and product quality).

Cadres in charge of leading and managing production in enterprises (bureau chiefs and deputy chiefs, directors and deputy directors, supervisors, and heads of production units) have not been trained systematically. The on-the-job advanced training of cadres has already been organized but not evenly in all areas.

Training according to the 1981-1985 plan has involved positive measures designed to correct shortcomings but has not yet met requirements, especially at a time when the management mechanism is being updated.

.I. State of the Training and Advanced Training of Technical Cadres and Workers in 1981-1985

According to the 5-year (1981-1985) plan, the training and advanced training of cadres and workers have the following five objectives:

--rendering good service to important areas of the sector;

--coordinating the student recruitment plan with the assignment and employment plan;

--improving the cadres' standard of knowledge;

--paying attention to training children and younger brothers and sisters of cadres, workers, and civil servants in the sector; and

--reorganizing the network of schools and training courses.

In pursuance of these objectives, training and advanced training have scored definite achievements in providing enough technical workers of various branches and skills necessary to installations which implement the fertilizer production program. More changes have been brought about in the recruitment and training method: production installations have on their own recruited workers, sent them to various schools for centralized training according to technical requirements and, on completion of their training, brought them back to their former production installations. Both the student recruitment and assignment plans can be considered fully synchronized. Thanks to this method, it has been possible to obtain a sufficient number of workers of various branches and skills to reinforce mines--especially apatite mines--which had frequently met with difficulties in recruiting workers in the past. Of course, to do this satisfactorily, it has been necessary to improve the activities of training schools from all points of view--from teaching to capital construction, to raising the standard of living, and so on. This way, training installations have been further consolidated, thus paving the way for development in the coming years.

Along with training new workers, the general department has paid great attention to improving the professional skill and level of workers now working in production lines--especially high-level workers whom it considers a valuable force of the sector.

However, training and advanced training are still faced with the following problems: the training and advanced training of leading and managerial cadres have neither received due attention nor been carried out boldly and systematically even though the improvement of these cadres' standard of knowledge should have been organized periodically. Initiative and measures have not yet been taken to train scientific and technical cadres for production and research installations. Sometimes, the sending of cadres as students to research centers and colleges is not based on needs, so that difficulties have been experienced in their transfer. For lack of tight management, schools and classes adjacent to enterprises and corporations are of poor quality. Not much has been done on researching systems, policies, and regulations to be applied within the sector's scope. The coaching of untrained workers is still being done at one's own convenience. Despite some preliminary results, the admission of offspring of sector personnel into training schools has not yet become a uniform policy to resolve a social problem, on the one hand, and to actively recruit students to replenish the sector personnel, on the other.

III. Principal Guidelines for the Training and Advanced Training of Cadres and Workers Within the 1986-1990 Plan

Based on the assessment of the present situation of cadres and workers, on the evaluation of the strength and weakness of training and advanced training in the past years, on requirements of the political mission in the forthcoming years, and especially on the 1986-1990 plan of the sector--training and advanced training must focus on carrying out the following important tasks:

1. Put the training and advanced training of managerial cadres (directors, deputy directors, supervisors, and shift heads) onto the right track because at present management is still a weak factor which limits production results. If managerial cadres in these installations are neither improved constantly according to plan nor equipped with fundamental theories and new policies which they should apply to ever-changing realities, this situation will greatly affect production.

2. Strengthen the training and advanced training of scientific and technical cadres: first, it is necessary to intensify the training of research students within the sector and to increase their nationwide percentage. Attention must be paid to technical cadres who have successfully completed promising research projects; conditions must be created for them to put their theses into practice and proposals must be made to the state to provide special protection if possible. This is the only way to form a body of pioneer cadres with a sufficient standard of knowledge, to develop the effect of technical research, and to apply technological advances. It is necessary to formulate a plan to improve cadres in charge of planning, to contribute to improving the quality of plans drafted by various institutes and schools, and to strive to assume medium- and small-scale projects involved in the sector's expansion.

3. Perfect the plan to form a body of cadres and workers for key projects: right now in 1985, it is necessary to complete the plan for training and advanced training of cadres and workers and to pay attention to high-level technical cadres destined for installations which serve the fertilizer production program--especially the apatite and pyrite mines--and simultaneously for sectors and trades which have urgent needs, such as those producing fertilizers, insecticides, processed rubber, and sodium chloride. It is necessary to retrain workers having not yet attended schools and training courses in order to improve the quality of technical workers.

To meet requirements of the sector's development, it is inadvisable to neglect to prepare for the training of cadres and workers for new sectors and trades, such as those related to mineral screening, petrochemicals, and biochemicals.

It is necessary to draw up a plan to persuade the offspring of cadres and workers in the sector to attend vocational schools and courses, and to give them jobs in order to meet the sector's need for technical workers and, at the same time, to solve a social problem and enable everyone to stick with the sector.

To eliminate asymmetry in the structure of the cadre contingent, logical ratios must be worked out. In our opinion, in the next 5 years, efforts must be made to achieve a ratio of 1:7 between technical cadres and workers, and 1:23 between cadres with college degrees and those having middle-school education, while professional cadres must number 30 percent of technical cadres.

To implement these guidelines and tasks, the following positive measures must be taken:

--Rearrange the network of schools and courses according to regions and in conformity with new organizations, such as enterprise federations and combines; assign a specific task to each unit; and pay attention to reinforcing various practical aspects, such as founding training bases and carrying out actual production activities.

--Strengthen the body of teachers which is the factor determining the quality of training and advanced training. In combines and large enterprises, it is necessary to increase the number of cadres specialized in training and advanced training.

--Create a stable source of recruitment of good students by selecting cadres and workers for supplementary education prior to taking entrance examinations to colleges, middle schools, and technical workers' schools. This problem requires specific guidance.

--Promulgate clear-cut systems and policies on selection and promotion of managerial cadres; formulate a system of allowances and material rewards for cadres, workers, and civil servants undergoing advanced training; and set forth regulations on contracts to found and maintain schools, courses, and enterprises. Opportunities must be taken to organize advanced training to improve the standard of knowledge of teaching cadres and scientific and technical cadres through cooperation with various institutes and scientific and technological information centers as well as with specialists in every field.

--Multiply various forms of on-the-job training and consider it an effective measure contributing to assigning a proportionate number of cadres to production installations.

The overall situation of both the country and the chemical sector calls for further changes in training and advanced training. The above-mentioned suggestions are merely an outline which requires identity of views and uniformity of action from the grassroots level up to the general department if this very important problem of the sector is to be solved.

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POPULATION, CUSTOMS, AND CULTURE

LESSONS LEARNED IN HANOI FAMILY PLANNING CAMPAIGN

Hanoi HANOI MOI in Vietnamese 12 Nov 85 p 2

[Article by Nguyen Thanh Hoan: "Valuable Lessons in the Family Planning Campaign from the Typical Models of Hanoi"]

[Text] During the past few years, Hanoi has made strong improvements both in quantity and quality and in breadth and depth in the family planning campaign, and many advanced examples have appeared such as the villages of Xuan Non, Kim Chung, Nam Hong, Vong La, and Duc Tu in Dong Anh District, Yen My in Thanh Tri District, Can Kiem, Ha Bang, Dong Truc and Lien Quan in Thach That District, Phung Thuong, Tho Loc, Vong Xuyen and Tam Hiep in Phuc Tho District, Kieu Ky in Gia Lam District, and Tan Lap and Phuong Dinh in Dan Phuong District; Thinh Quang Subward in Dong Da Ward; the Hanoi Knitting Enterprise, etc.

During the process of campaign achievement, the typical models above have applied the population policies of the state and the directives and resolutions of the Party Central Committee, the Municipal Party Committee and the Municipal People's Committee on population and family planning in a versatile and creative manner consistent with the actual conditions of each locality and unit, and have made a number of initial achievements worthy of encouragement.

In reality, each one has its own experience and methods but on the basis of scientifically studying the experience of the typical models above, we have extracted the following number of generally successful lessons which all of them have:

1. Concerning ideological realization: Many typical models have considered this work of foremost importance and simultaneously a "crash phase" of the campaign because the campaign will only achieve high, strong and stable results when every individual acquires the full concept and when it becomes a part of the sentiment, confidence, ethics and conscientious actions of each person. In the model localities and units, the objective and significance of the family planning campaign have been thoroughly understood from the party and administrative echelons all the way down to the basic level production unit and each citizen. The basic norms of the campaign have the same importance as production norms and are considered as a basis for evaluating emulation. New and substantive changes have occurred in the methods of observation and thought of the masses concerning family happiness and reasonable family size. Backward thinking and customs and outmoded viewpoints on the number of children are being swiftly overcome and improved. A majority of the people have a definite

understanding on large families and high fertility and clearly understand the benefits of family limitation and child spacing, understand safety and progress, know how to employ a number of contraception methods, etc.

2. Concerning organization and guidance: This is a task of important significance determining the success or failure of the campaign. At the campaign review conference in 1972, the Chairman of the Council of Ministers Pham Van Dong stressed, "Local leaders must be responsible because the final results determine the leaders." With a concept of the problem, key unit leaders and party member cadres have truly been a motivating force and example in not violating the population policies of the state and the directives and resolutions set forth by upper echelons. For example, in Xuan Non Village, with the exception of two recently married individuals, 100 percent of the party members set a true example. In the leadership and guidance work, the typical models have had plans, methods and forward steps that are specific, detailed, reasonable, and in close accordance with the local area. They have employed synchronized, coordinated, united and harmonious actions between units and mass organizations such as party and administrative organizations, youth union units, women's associations, trade unions, public health facilities, etc., and have known how to develop the collective ownership rights of the people to a high degree. Party committee and administrative echelons have set forth specific objectives and norms on a quarterly or annual basis or for one "campaign" and have assigned achievement to each basic level unit while simultaneously constantly urging these units to achieve the objectives presented. Guidance is carried out in both a constant and a key point and gravity center manner with swift summarization of experience and recognition of typical models. The guidance committee of Dong Anh District is a basic level unit with a fair amount of experience in this problem. For example, from the model village of Xuan Non, Dong Anh District swiftly recognized other villages in the space of only a few months. Another extremely significant experience in the work was the organization of timely preliminary summarization and summarization, proper evaluation of those things that work and those that do not, severe criticism of substandard units, and prompt praise of those units doing well. It may be said stated that determination, versatility, creativity, specificity, sensitivity, creativity and timeliness are extremely important in campaign organization and guidance and they have truly determined the successful guidance of the typical models.

3. Concerning propaganda and education: This is a crucial step determining the success or failure of the ideological and realization work. In the long term, it is a method of foremost importance in assuring the effectiveness and stability of the campaign. With a concept of the importance of this task, nearly all the localities above have used every form and means possible to mobilize the masses to respond to and actively participate in the campaign, including such modern means as video cassettes, means of popular mass communications such as projected slides, conversation, posters, radio broadcasts, panels, contests and seminars, etc. with this work considered by the model units as a common task of every individual and every social organization. Each sector, echelon and mass organization is assigned a specific mission with specific objectives. In conjunction with the general theoretical themes, the unit propaganda themes delve deeply into the actual situation of the local area and unit, and are even related to all the families of the propaganda objectives. Consequently, the

propaganda themes are extremely rich, varied and highly persuasive. Also of direct significance is that each propaganda member himself is an example in achieving the objectives of the campaign.

4. Coordinating the use of effective methods: In conjunction with the propaganda, education and encouragement methods, the typical models also use economic and administrative methods through forms of awards and severe punishment equitable to all organizations and every individual. It may be stated that the award and punishment forms are a two-edged sword. If applied to the proper objective and are fair, prompt and reasonable, they produce good educational results and also just the opposite. Generally speaking, the typical models using these methods and knowing how to coordinate a number of common fairly creative and versatile methods have achieved clear results. Widespread methods used in the agricultural units are cash, paddy and labor point awards, and the issuance of land to build a home. The non-agricultural units are slightly different.

5. Organization of technical service: This is an important factor making a worthwhile contribution to reduction of the rate of population growth. Thus, nearly all the typical models did well at this work by establishing family planning centers. Public health offices, district hospitals and family planning units have wholeheartedly and unconditionally supported their objectives without regard to the time, including holidays and Sundays. At the same time, public health cadres and personnel have assured technology, safety and convenience for the family planner.

With these five valuable lessons in experience of the advanced typical models and a number of general reward and punishment methods stipulated in the resolution of the Ninth Plenum of the Municipal People's Committee, third session, on 5 May 1985, we hope it will be entirely possible for other localities to apply them to their units in a flexible and creative manner to successfully achieve the objective of reducing the rate of population growth of the city as set forth by Resolution 1559 UB-KH on 28 May 1985 of the Municipal People's Committee.

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CSO: 4209/166

POPULATION, CUSTOMS AND CULTURE

HANOI DANCE HALL PROCEDURES REGULATED

Hanoi HANOI MOI in Vietnamese 9 Nov 85 p 2

[Unattributed article: "The Dancing Problem in Hanoi"]

[Text] Recently, due to requirements for raising the cultural lives of cadres and people in the capital, a number of light music and dance locations, with a service business, have opened under many forms and under the organization of many units of different sectors. Many have not precisely implemented the regulatory articles of Notice 430-VHTT 3 August 1985 of the Cultural and Information Service. Many negative occurrences have happened. Many locations without sufficient material conditions have still sold tickets, each at its own price, bands are not of sufficient standards to support dancing, and offensive dances and songs are permitted. Some dance locations sell drink tickets and sell even beer, hard liquor, etc.

According to statistics, there are presently 26 of these dance locations in the inner city (Hoan Kiem Ward has nine and Hai Ba Trung and Ba Dinh each have one) formed in two areas: in clubs and cultural houses; and in hotels and service business facilities. Only a few have a license from the Cultural and Information Service.

In order to overcome the situation above, the Cultural and Information Service recently held a meeting with the facilities that have organized dance locations (including both the central and local areas) and concerned agencies, sectors and mass organizations to discuss management unification.

First of all, the Cultural and Information Service decided to temporarily halt the activities of all dance locations. The Service will make an announcement on the issuance of licenses to any facility with sufficient conditions for organizing dance activities, such as: a dance floor of the precise specifications (area, quality, decorations and lighting), a band with certified standards to support dance locations, model dance couples, etc. The Cultural and Information Service will also stipulate the ticket prices, dance participants, and operating schedule of a dance location (how many sessions per week and how many hours per session) aimed at making this form of cultural activity enjoyed by the younger set truly wholesome and cultural.

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BK101214 Rangoon THE WORKING PEOPLE'S DAILY in English 26 Nov 85 pp 5, 7

[Saw Htoo Sein Article: "When Unscrupulous Elements Get Together"]

[Text] Today, the entire national working people of the Socialist Republic of the Union of Burma, through strength of unity and solidarity of all the indigenous national groups of Union, after establishing a socialist democratic state where the people wield sovereign power, is building a new socialist society of affluence.

In spite of various difficulties, obstacles and hindrances, it has been possible to mobilize the people's strength and, in endeavouring to establish firm foundations for socialism through the planned system of economy under the correct leadership and guidance of the Burma Socialist Programme Party, we have now reached the first year of the Fifth Four-Year Plan. The economic condition has improved as targets were not only achieved but exceeded in the implementation of the annual plans.

However, there are those who cannot bear to see such favorable conditions being achieved. They are not just individuals or groups. They are aboveground and underground insurgent destructionists, old foreign capitalists and their henchmen the avaricious traders. They are a group of people who do not wish to see the establishment of socialism in Burma. They aspire for the capitalist feudal system and the neo-colonical style of economy. As is well-known, these unscrupulous elements have formed an unholy alliance to attack the construction of the socialist system under the leadership of the Burma Socialist Programme Party.

The Indigenous working people understand their activities full well. However, as THE BLACKMARKET ECONOMY from a book written by an economist from Japan is of interest, I shall recount it here. The title of this book is BORDER TRADE -- THE BLACKMARKET ECONOMY OF SOUTH-EAST ASIA. The author is Japanese economist Takamura Saburo and photo journalist Morita Kashi. The book, published in May 1984, has 207 pages with 64 photograhs, 13 maps and 14 charts and it may be called quite a complete book.

Scenic views of the border, smugglers' route, the set-up of border trade and how the blackmarketeers and insurgents are working in collusion inter-dependently are vividly given in the book. Describing the blackmarket camp of Wanka under the heading "Following the smugglers' trail" the author mentioned:

Wanka is a camp straddling the Moei River. Man as well as goods are transported across the 100-meter wide river by motorized boats. Of the blackmarket goods, seasoning powder produced in Thailand is the most popular item traded. Japanese made machinery parts and electrical appliances like radios, cassettes and fans are also included in the blackmarket goods.

On his visit to Phalu from Wanka, the author describes the blackmarketing scene as follows:

We also visited Phalu, another blackmarket gate. Like Wanka, it is situated on either bank of the river. People are seen bringing lobsters from Burma side. Cattle are also brought from Burma for the meat canning factory of the army of a neighboring country.

On the border trade set-up, as contained in Chapter 3 of Takamura Saburo's book, a clear account together with facts and figures are given as follows:

After 1975, with the increase in production of nationalized enterprises, the legally produced commodities and blackmarket goods came to be sold in competition. As a result of such competition, the pattern of flow of blackmarket goods into the country changed. The previously illegally imported cheap textiles could not compete with local products. After 1980, more electrical appliances and sophisticated machinery were smuggled in as blackmarket goods.

For smuggling blackmarket goods into the country, goods from Burma had to be smuggled out. Items which were popular in Thailand included jade, rubies and other gem stones, teak, animals like oxen, gold, iron, and antiques. These items are either not available in Thailand or they command a very high price when available.

In 1982-83, blackmarket goods illegally brought into the country accounted for one third of Burma's legally imported goods. As almost all the blackmarket goods are personal goods, they constitute four times the quantity of legally imported personal goods. Seasoning powder alone, smuggled in from the other country, amounted to 60 tons a year. The value of blackmarket trade between Burma and Thailand in 1982-83 amounted to K 5,000 million to K 6,000 million from Burma to Thailand and K 920 million from Thailand to Burma.

Takamura's book also gives a vivid account of insurgents who control border trade and their true situation. It is said that Mr Takamura Saburo himself visited the house of the commanding officer of the KNU's [Karen National Union] No 7 battalion. It is reported that the deputy commander explained the present situation of the KNU at the house. However, Takamuru personally found out that the KNU leaders do not match their words with deeds. Hence, he wrote the following in the book:

Although they said that they had to fight back due to Burmese oppression and that they did not have sufficient funds, I saw television and video sets in the house. A Japanese who was close to the Karen leaders once said that the Karen leaders were deceiving their followers into fighting for their continued livelihood.

The blackmarket trade is one which brings in large amounts of money for the insurgents funds. This is particularly true of the Karen insurgents who have set up base on the border region and who control a vast expanse of blackmarket trading region. Blackmarketeers who pass through this region have to pay tolls. The tolls collected amount to 100 million US dollars annually. This sum can be used to run a 16,000 strong army. That is why, blackmarketeering activities are flourishing as a result of the insurgents and the insurgents are existing as a result of the blackmarketeering activities.

Takamura gave an appraisal of the true situation. That is not all. He gave the following account on the foreign capitalists who turned to blackmarketeering activities when their opportunity to exploit was effectively stopped when the Revolutionary Council had to take over the reins of the State in 1962:

Foreign capitalists (Chinese, Indian) who no longer have any economic operning, made investments in blackmarketeering and came to plan an important role. About 80 percent of blackmarket trade in Rangoon and Mandalay are in the hands of these Chinese and Indians. The number of persons involved in blackmarketeering activities stands at 500,000. Only the porters are Burmese who are poor.

Actually, what Japanese economist Takamura Saburo has written in his book are true situations known to the peasants, workers, People's Tatmadaw [armed forces] members and the entire working people of the Socialist Republic of the Union of Burma.

The Political Report of the Party Central Committee submitted to the recently concluded Fifth Party Congress of the Burma Socialist Programme Party, gave the following guidelines:

"It is observed that blackmarketing activities in locally produced goods as well as illegally imported goods are gradually growing as it is easy to make money through such activities. Money involved in blackmarketing activities not only hinders the State's economic development and progress but also gives rise to increasing the volume of currency in circulation, increasing the rate of inflation and leading to higher commodity prices.

Hence, just as it is necessary to take measures through administrative means to narrow down the sphere of the growing blackmarketing activities on the one hand, it is also necessary to channel private investments from trade activities to production activities on the other hand."

In accordance with this guideline, the State Sector has laid down necessary plans and is now executing them in practice for eliminating the avaricious blackmarketing activities. The Council of Ministers' Notification No 1 - Special/85, dated 3 November 1985, demonetizing all K 100, K 50 and K 20 currency notes in circulation in the Union of Burma with effect from 1 pm on the date of issue of the notification is aimed at uncovering black money in the hands of moneyed and the avaricious traders.

In doing so, with the interests of the working people in view, the demonetized currency notes of up to K 5,000 were immediately changed with legal tender currency. The unscrupulous moneyed people, taking advantage of the State's cetana (goodwill) paid fees and hired other people and distributed their black money of up to K 5,000 for changing with legal tender currency. Insurgents in the jungles were also found to be distributing their black money to be changed by those having connections with them with the result that action had to be taken according to law.

As such, the Council of State, on 15 November 1985, promulgated the Order Amending the K 100, K 50 and K 20 Currency Notes Demonetization Law (Order No 1 of the Council of State having the force of law, 1985).

At the same time, the People's Tatmadaw and the working people are working hand in hand to annihilate the KNU's who set up "gates" in border regions to exact tolls from the blackmarketeers, smuggle out the country's natural resources and manipulate illegal money.

As a result, the group of unscrupulous old local capitalists, avaricious traders and blackmarketeers and the KNU's in the border areas are faced with the unenviable situation of being hemmed in on all sides like fish in shallow water, as the saying goes. Under such conditions, it is vital for the national working people to constantly keep up their revolutionary vigilance and join hands with the People's Tatmadaw for total annihilation of the unscrupulous insurgent destructionists and to wipe out the remnants of the comprador-capitalists.

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CSO: 4200/393

BRIEFS

AMBASSADORIAL APPOINTMENT TO INDONESIA--The president of the Socialist Republic of the Union of Burma has appointed U Than Hla as ambassador extraordinary and plenipotentiary of the Socialist Republic of the Union of Burma to the Republic of Indonesia. [Text] [Rangoon Domestic Service in English 0200 GMT 9 Dec 85 BK] 12624

CSO: 4200/393

MOKHTAR INTERVIEWED ON AUSTRALIAN TIES

BK150225 Melbourne Overseas Service in English 0710 GMT 14 Dec 85

["International Report" program Moderated by (Collin Johnson)]

[Text] The foreign minister of Indonesia, Dr Mokhtar Kusumaatmaja, has flown to Australia for what he termed normal bilateral consultations with the Australian foreign minister, Mr Bill Hayden. Dr Mokhtar is visiting Australia at the invitation of Mr Hayden for the first time in 7 years. Dr Mokhtar is the first senior member of the Indonesian Government to visit Australia since the Hawke's Labor government came to power in March 1983. Before he left Indonesia, Dr Mokhtar gave this interview to Walter Hamilton.

[Begin recording] [Hamilton] Dr Mokhtar, Mr Hayden said recently that he believed that the Australian-Indonesian relations were in far better condition now than they've been probably before. Would you agree with that assessment?

[Mokhtar] Yes, although to say that they are far better means that they were not good in the past and I always maintain that they have always been good. So, that is my assessment.

[Hamilton] If Mr Hayden has indicated an improvement, presumably it is because of issues, such as East Timor, which has faded into the background. Do you think that you have learned something from the management of the issue in your relationship with Australia?

[Mokhtar] No, because we view that it has always been an Australian problem. It was a problem on their side and I think that they have sorted it out among themselves. It has never been an Indonesian problem.

[Hamilton] Is Indonesia concerned that the Irian Jaya border crossing issue may tend to destabilize Papua New Guinea?

[Mokhtar] Well, it may, depending on what measures Papua New Guinea takes against those that are the source of the disturbances which in our view are the people that they call themselves OPM [Free Papua Organization].

[Hamilton] How do you think PNG should handle the problem to minimize the damage to relations?

[Mokhtar] Well, they should allow the border crossers to go back voluntarily. For that, I think these people should be allowed to talk to their elders or the missionaries that used to care for them and also the officials, headmen, or any people that have been associated with them in the past. And we would be happy to let them come and talk to them. That would be one thing, but the thing is that of course the people that do not want these people to come back will do their utmost to prevent that.

[Hamilton] But how about the remaining core of individuals on the border who retain anti-Indonesian sentiment; surely this problem is going to be a festering problem.

[Mokhtar] Yes, that is right. It would be, I think, in the interest of PNG, as I said, themselves to do something about it. But again, it is not for me to say how.

[Hamilton] The governor of Irian Jaya has said that the border crossing issue is purely an internal affair of Papua New Guinea and Indonesia. Does this imply Indonesian opposition to the resettling of Irianese in third countries including Australia?

[Mokhtar] No, where it is in cases where clearly these people do not want to return, but again it has to be voluntarily. And then, they are free to go anywhere they like, but the thing is, one puzzles after there have been no serious attempts to really give these people a chance to return. I mean not much has been done to remove the obstacle -- to the return of these people. These people freely roam around and in fact they are hindering the return to the point that they attacked people that want to speak to them on the basis of a previously made agreement.

[Hamilton] Do you believe that the OPM guerrillas should be put out of the picture before any attempt is made for resettlement of refugees?

[Mokhtar] Yes, or persuade it, that they are being naughty and, you know, being very obstructive. But that is the whole point, maybe that is one way by which they can attract attention because they have ceased to be meaningful as a military force or political force. There is now no real support for them, but in this way, they are indeed attracting attention. The thing is, does one allow this to go on or not?

[Hamilton] Would you wish Australia to suspend, for example, its obligation under the International Refugee Convention until the military and political situation in the border can be stabilized to Indonesia's satisfaction?

[Mokhtar] No, we are not making such a demand. It is up to Australia what it wants to do with the obligations. I mean we are not telling other people what to do.

[Hamilton] But do we have a situation, for example, if Australia discharges its obligation that it faces? [question as heard] For example in the East Timor situation it is charging as it sees no obligations to the international community there but inevitably that has been developed against Indonesian objections because of a different perception of how the problem should be handled.

[Mokhtar] Yes, because I think we have never been given a real chance to present our case. At least, this small group of people have always an a priori view of the East Timor question viewing the Fretilin [revolutionary front for independent East Timor] as a liberation movement. Now that is a big if. We do not view them as a liberation movement. They are a last-minute transformation of what used to be the Social Democratic Party of East Timor, which after the takeover of the Flower Revolution in Lisbon was transformed into Fretilin and weapons were given them by the Portuguese. So, it is a Portuguese creation. How on earth can you view this as an independence movement and they precisely do things that were against the agreement between Portugal and Indonesia --not to use force in self-determination. So I think the Australian position here was very strange. I mean this small group. Maybe some politics behind it.

[Hamilton] So, in the same way, if Australia were to accept political refugees from Irian Jaya, it would be tacitly accepting that there is an independence struggle going on there.

[Mokhtar] Not necessarily, it depends on whether they believe these people are refugees or not. I mean anybody that wants to go to Australia not according to the usual immigration procedures of course tend to be a refugee. I mean you can be coached to say the right things to be considered a refugee. That does not make them refugees.

[Hamilton] It is a fact also that the Irianese border crossers are not the only case of Indonesians spilling out of your natural border, for example the very large number of illegal immigrants going to Malaysia from your country. It does suggest that in many areas of your border, there is a potential for destabilizing the region as a result of the flow of people into the neighboring countries. Do you accept that there is such a potential?

[Mokhtar] I would not use this "destabilization" for one thing. Before there were borders, these people used to move from one place to other--take the South Irian and the western province case. I mean these people used to be back and forth. Now there happens to be two states and Indonesia and Papua New Guinea; all of a sudden there is a border, you know, and now if you cross there is a big, big fuss about it. So, I mean, in the past people used to move in hundreds or even thousands when maybe there is a drought here and conditions are better. They do not know, you see. Now then when conditions [word indistinct] they move back, you see. But now this is complicated by these troublemakers coming in between. Now, in between Sulawesi and Sabah there is the same thing. These people used to move back and forth but now all of a sudden, there is a state called Malaysia and Sabah becomes part of Malaysia. So I do not see this destabilizer. These are people moving back and forth. It has nothing to do with destabilizer politics because people are looking for work sometimes.

[Hamilton] China has said that it does not support the Indonesian communists. Why isn't this a sufficient undertaking as the basis for establishing full diplomatic relations between the two countries?

[Mokhtar] It has never been said to us officially. I mean a press report said that Hu Yaobang said it when he was in Australia. Now we want a Chinese high official saying that in Jakarta. That would be meaningful, you see. When Wu Xueqian came here for the 30th, 40th anniversary, whatever, 30th anniversary [of the Afro-Asian conference in Bandung], he did not say that. [words indistinct] It might have been very useful if he said it here to media.

[Hamilton] How soon can the Australian Broadcasting Corporation expect to be able to reestablish a correspondent in Jakarta?

[Mokhtar] Well, as soon as the minister of information thinks it can be done. So this is the question you should ask him.

[Hamilton] Have you perceived the obstacles for that coming up more often?

[Mokhtar] Well, if it is true that relations are very good and you are now able to take a better look at things and not unnecessarily engage in biased reporting, then I think the outlook is better.

[Hamilton] Where is the ASEAN policy on Kampuchea going right now? There doesn't (?seem) to much progress toward getting Vietnam out of that territory.

[Mokhtar] Well, we are on the right track in that the MIA question is now well under way to being solved. They even have a joint excavation about 40 miles south of Hanoi, which was unheard of a few months before, so that is well on its way and it is up to the Vietnamese really to show they are in earnest about settling the Kampuchean problem, which is another precondition for the Americans before they can proceed with normalization.

[Hamilton] Do you think the American-Vietnamese relations--their development and progress--are a key to the whole issue?

[Mokhtar] I think so. I think they are at least, at least now they have something to look forward to when they settle the Kampuchean problem. I have always viewed the ASEAN plan--to solve the Kampuchean problem by asking the Vietnamese to leave--had one weakness in that it did not offer the Vietnamese anything from leaving Kampuchea. And how can you [word indistinct] a party to do something when they do not get anything in return. So by linking it with normalization, which was done by Indonesia, it does make sense to ask them to do something because then you can say, if you leave Kampuchea now, you know you can start talking about normalization with the United States. And that is a good thing. That, I think, they want very much.

[Hamilton] How is the depressed oil market internationally affecting Indonesia's economic development and what impact is this having on [words indistinct]?

[Mokhtar] It is very serious. I do not know whether it is going to have an impact on foreign relations; it is going to have a big impact on the domestic situation, but then again I think we are fortunate in that we have a people with a great capacity to endure.

[Hamilton] President Suharto [word indistinct] recently has been traveling overseas, including to Eastern Europe, seeking markets for your non oil exports. Has the course of oil depression required a rethinking of your foreign policy?

[Mokhtar] No, it is just a quest for the dollar, which is as good. I mean the communist dollar is as good as anybody's dollar. It is as simple as that. And as the oil prices plummeted, we were seeking for more and more markets and going where we did not use to go. That is the explanation.

[Hamilton] Are you concerned about the impact of unemployment domestically, vis-a-vis dropping your oil revenue.

[Mokhtar] Yes, it is very serious, especially in the big cities. I am thinking of the big cities because in the smaller cities, in the rural areas, we have this Indonesian social system which takes care of unemployed. I mean there are many more employed than you think, but anybody in Indonesia is welcome to share a plate of rice with his family and that is why I said the capacity to endure is so great because we have this flexibility.

[Hamilton] Are the social consequences of the economic problem linked to the recent decision to remove former communist party members and sympathizers from the oil industry?

[Mokhtar] I think that was more a security problem. When things were better, perhaps they were not considered too dangerous. [words indistinct]

[Hamilton] How much danger for the person who had an ideological leaning 40 years ago will present to Indonesia today?

[Mokhtar] We never know because communists are very determined people, and I do not know how their system works. There might be a situation where they feel they have to obey orders once orders are given. I am not saying that this network still exists, but it might.

The Indonesian foreign minister, Dr Mokhtar Kusumaatmaja, talking to Walter Hamilton.

/7358
CSO: 4200/397

FRENCH TEAM TO VISIT FOR INVESTMENT TASKS

HK150502 Hong Kong AFP in English 0419 GMT 15 Dec 85

[Text] Jakarta, Dec 15 (AFP)--A French Government finance team is due here late next month to work out a new formula for financing projects in Indonesia after a change in Jakarta's rules, a French minister has said here.

Jean Auroux, minister for town planning, housing and transport, told a press conference late yesterday that a new formula was urgently needed so that future French investments in Indonesia could continue under reviewed Indonesian Government regulations.

These rules crack down on mixed credit financing, on which the French Government along with major French firms has been heavily reliant for projects.

Indonesia now requires straight competitive bidding on most projects, arguing that mixed credits--part grant aid and part soft loans--often include hidden strings tied to companies in the country of origin.

Mr Auroux said Indonesia's top economic minister, Ali Wardhana, had assured him that Jakarta wanted to keep a favorable climate for French investment. During his five-day stay here, Mr Auroux held talks with Public Works Minister Suyono Sosrodarsono, Mr Wardhana, who is the country's economic coordinating minister, Research and Technology Minister B. Habibie, and Transport Minister Rusmin Nuryadin.

He discussed future projects in the sectors of water supply, railroads and aerospace, while French companies had already been given the go-ahead for the second stage of Jakarta's international airport, he said.

The minister also said he had assured Mr Habibie, who runs that country's fledgling aircraft industry P.T. Nurtanio, that France would participate in the staging of Indonesia's first international airshow scheduled for 1986.

/7358
CSO: 4200/397

AGREEMENT WITH AUSTRALIA ON AIR FORCE COOPERATION

HK121410 Hong Kong AFP in English 1309 GMT 12 Dec 85

[Text] Jakarta, Dec 12 (AFP)--Australia and Indonesia have signed an agreement formalizing an arrangement under which Australian engineers will assist in the repair and maintenance of Indonesian Airforce C-130 Hercules.

The Australian Embassy said in an announcement of the signing today that the arrangement had been in operation for two years involving engineers from the Australian Airforce and Qantas airlines.

However, the embassy statement said the size of the program now warranted a formal agreement in the framework of Australia's defence-cooperation agreement with Indonesia.

Canberra provided Jakarta with about 6.7 million U.S. dollars worth of military aid and assistance under the program this year.

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CSO: 4200/397

MALAYSIA

MAHATHIR CRITICIZES NEW PARTIES

Penang THE STAR in English 10 Nov 85 p 1

[Article: "PM Hits Out at New Parties: 'They Lack High Calibre Leaders ... They Can't Survive for Long'"]

[Text] Port Dickson, Sat -- Prime Minister Datuk Seri Dr Mahathir Mohamad lashed out at newly-formed political parties today and predicted that they will not survive because their leaders are opportunistic.

"They might say they are providing an alternative. But we know they are opportunistic. We don't have to say it.

"Their leadership is opportunistic. They lack high calibre leaders. As such these parties cannot survive for long," he said.

Speaking at the opening of an Umno Wanita work camp at Pasir Panjang near here, he said: "Good leadership must have correct and good values."

He said that without high quality leadership no party could remain strong or viable.

The Prime Minister did not name any party but two noteworthy political parties formed within the last one year are Parti Bersatu Sabah, led by Datuk Joseph Pairin Kitingan and Parti Nasionalis Malaysia, led by Puan Zainab Yang, with Cuepacs leader Ahmad Nor as a member.

"We all know what good and bad values are. But it is in the application and practice of good values that a leadership and a party survives or dies," he said.

Dr Mahathir also said that if parties were to be viable, leaders must discharge the trust placed on them.

"Good leadership consist of discharging and upholding the trust placed on the members and the people upon them," he told 800 Umno Wanita members.

Also present at the opening was Negri Sembilan Mentri Besar Datuk Mohamed Isa Abdul Samad, Finance Minister Daim Zainuddin, Minister in Prime Minister's Department Datuk Khalil Yaacob, Public Enterprises Minister Datin Paduka Rafidah Aziz and Kelantan Mentri Besar Datuk Haji Mohamed bin Yaacob.

Dr Mahathir added that quality leadership must be practised by Umno members.

"When leaders want to make use of party members they (members) must resist.

"And if leaders make use of the party post for their own benefit, surely the members would reject them," he added.

/12851
CSO: 4200/398

PAS TO APPLY THEOCRATIC RULE IF ELECTED

Penang THE STAR in English 14 Nov 85 p 6

[Text] Alor Star, Wed. -- PAS said today that if it comes into power it will replace the present system with a theocratic rule and the present parliamentary democracy with what it calls a constitutional democracy administrative system.

Its national vice-president, Haji Nakhaie Ahmad, said the party would also accept multi-lingualism and multi-culturalism.

Defending the merits of the PAS concept, he said that unlike a parliamentary democracy system, the constitutional democracy would operate through advice directives of a council of religious experts and elder statesmen.

He told 500 non-Malays at a PAS political dialogue here last night that under the present system, MPs and Parliament could amend the constitution "as they wished without consulting the people."

He asserted that the Prime Minister as head of the Government could use his powers and support by his backbenchers to amend the Constitution as many times as he wished.

Haji Nakhaie also claimed that under the present system, the Attorney-General and Elections Commission as well as the Anti-Corruption Agency were not free to act.

According to him, if PAS came into power, all such bodies would be placed under the Head of State, the Yang di-Pertuan Agong, and subject to his discretion to freely eliminate corruption, and ensure effective administration and justice to all citizens irrespective of race and religion.

Haji Nakhaie said PAS would accept multi-lingualism and multi-culturalism, which, in his opinion, was in line with the Islamic teaching that men were created by God in different races to enable them know and love one another.

He urged non-Malays in Kedah to have the courage to vote for PAS in the next election.

PAS Titiwangsa Federal Territory head Kamal Koh urged non-Malays to cast off fears and doubts and to support the party.

He said that through the Islamic way of thinking, Malaysia would achieve a realistic unity.

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CSO: 4200/398

MALAYSIA

CHINESE PARTY CHANGES NAME

Penang THE STAR in English 17 Nov 85 p 4

/Article: "New Name for Proposed Chinese Party"7

/Text7 Kuala Lumpur, Sat -- The proposed Malaysian Chinese Unity Movement party has changed its name to the Malaysian Unity Party (MUM) to reflect a "Malaysian identify." It will apply for registration before the end of the month.

Its pro term president Arthur Lee told a news conference here today that the Chinese-based party would be different from other communal-based parties in that it would look into the grievances and issues affecting all ethnic groups in the country.

The news conference was called after office bearers for the proposed party's protem committee were elected.

Those elected to the committee were president Arthur Lee, deputy president (1) Thomas Oh Teng Lim, deputy president (2) Willy Wong, secretary-general Tham Chee Kong, deputy secretary-general K.C. Tan and treasurer-general K.H. Fam.

Nine other committee members were also elected.

Mr Lee said the party was set up primarily to restore the confidence and dignity of the Chinese community.

This was especially so after the actions of a party claiming to represent Malaysian Chinese had shown how easily the community could lose the respect of "our fellow Malaysians."

He said one of the main aims of MUM was to strive for a "perfect" Malaysian multi-racial society.

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CSO: 4200/398

MALAYSIA

SLOWDOWN IN ARMS PURCHASES FORESEEN

Kuala Lumpur NEW STRAITS TIMES in English 20 Nov 85 p 12

[Article by Sabry Sharif]

[Text] **KUALA LUMPUR, Tues. — The armed forces can expect the Government to go slow on arms purchases under the Fifth Malaysian Plan (FMP), Deputy Defence Minister Datuk Abang Abu Bakar Mustapha said today.**

He did not commit himself beyond saying that the proposed bill for defence purchases and military facilities would be less than $7 billion.

He said that priority would be given to the construction of 20,000 units of houses for the more than 100,000 armed forces personnel to save the Government $50 million a year in rental.

This would take precedence over defence purchases and military facilities, he added.

Datuk Abang Abu Bakar told the *New Straits Times* the Government's austerity drive implemented in 1981 and which affected the armed forces, too, would form the basis for defence purchases under the FMP.

He felt the original allocation of $9.3 billion in the late 1970s and early 1980s would be reduced.

There has been no official report on how much of the allocation was trimmed when the Government implemented its austerity drive in 1981.

However, military observers estimated that $7 billion was given to the armed forces up to the end of last year.

This was after considering that too drastic cuts in the defence budget would adversely affect the beef-up of the armed forces as proposed under the special armed forces expansion programme (Perista) launched in 1978 which was supposed to have been completed two years ago.

Asked whether the Defence Ministry was proposing less than the trimmed dowm $7 billion for defence purchases and military facilities under the FMP, he only said: "It's less."

Datuk Abang Abu Bakar said whatever had not been achieved under Perista would be considered by the Government in the next five years.

"The Government appreciates the repeated calls by the people to boost defence and security especially in the wake of pirate attacks on vulnerable coastal towns such as the attack on Lahad Datu town in Sabah two months ago.

"But this does not mean that under the FMP, the armed forces are going on a shopping spree to get whatever they have been deprived of under Perista when there is not enough money to pay for the goods."

Submarines

In this respect, Datuk Abang Abu Bakar said expensive defence equipment like sophisticated aircraft and new military bases running into billions of ringgit could not for certain be allocated funds under the FMP.

He said that the Royal Malaysian Air Force's proposed Gong Kedak base in Kelantan, the Army's Gemas-based Combat Training Centre in Johore and the Royal Malaysian Navy's Lumut base in Perak, all estimated to cost as much as $2 billion, would not have a "bright future" under the FMP.

However, he said if the Government had extra funds during the FMP, these projects would be implemented.

But in the meantime whatever defence equipment and military facilities the army, navy and air force had would be fully utilised.

According to military observers, this means the navy would have to trim the $1.2 billion budget for the Lumut base by deciding which of the projects have the highest priority; the air force would continue with the development of the one-third completed $500-million Subang base; and the army would have to rely on its Pusat Latihan Darat (Pulada or Army Training Centre) in Johore for combat training.

Similarly, Datuk Abang Abu Bakar said, it was unlikely that defence equipment like submarines and sophisticated aircraft would be bought under the FMP.

But some other defence equipment needed by the armed forces might be bought with whatever limited funds the country could afford, he said.

He declined to give details about the equipment, saying "the central Government agencies responsible for approving allocations to Ministries have yet to finalise the allocation for us."

"There are still negotiations and counter-negotiations between the Defence Ministry and the central Government agencies on the final defence allocation for us in the next five years.

"We hope to get these details sorted out before the FMP is presented to Parliament at its March sitting next year."

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CSO: 4200/399

MALAYSIA

MUSA: RECESSION MAY BRING MALAYSIAN-ORIENTED MEASURES

Kuala Lumpur BUSINESS TIMES in English 12 Nov 85 p 1

[Text] The government will adopt Malaysian-oriented measures in facing the economic recession, Deputy Prime Minister Datuk Musa Hitam said.

However, it will first identify the ways to improve the country's economic situation, he said.

In facing the current recession, the government conceded that the country's economy is greatly dependent on the developed countries like the United States which buys a lot of Malaysia's primary produce, he said.

Datuk Musa, who is also Umno deputy president, was closing the two-day Wanita Umno work-camp at Kem Semangat near Port Dickson on Sunday.

He is confident that the government's efforts to overcome the problems will be successful with the cooperation and support of the people.

The government will be frank with the people and provide them with accurate information to get their support toward ensuring the success of the various measures, he said.

He also asked Umno members to understand the country's economy and explain the present situation to the people to gain their support.

Datuk Musa considered the present economic problems faced by the nation as a result of the world situation as the biggest challenge since independence.

To help overcome the problems, Umno members must understand the country's economic base, for until now they had only been faced with political challenges including those from the opposition, he said.

One easy way of understanding this is to find out whether the people have enough basic necessities, he said.

Datuk Musa said Wanita Umno had an important role to play to ensure the success of the party's struggle.

Malaysia's trade surplus widened to $3.46 billion for the first six months of the year against a surplus of $2.33 billion in the previous corresponding period, according to the Statistics Department's latest preliminary figures.

The better trade balance was due to an increase in exports to $19.14 billion from $18.21 billion against a drop in imports to $15.68 billion from $15.88 billion.

During the period, Malaysia enjoyed a surplus of $3.60 billion in its direct foreign trade, up from $2.23 billion previously.

However, in its trade with Singapore, Malaysia suffered a deficit of $144 million against a surplus of $91 million.

Among the major imports were machinery and transport equipment accounting for $6.74 billion or 43 percent of total imports, manufactured goods ($2.33 billion, 14.9 percent), mineral fuels and lubricants ($1.88 billion, 12 percent), food ($1.61 billion, 10.3 percent) and chemicals ($1.43 billion, 9.1 percent).

Imports of machinery and transport equipment and of manufactures fell from the previous year's levels while imports of mineral fuels and lubricants, food and chemicals showed increases.

Major exports included mineral fuels and lubricants ($6.03 billion or 31.5 percent of exports), inedible crude materials ($3.62 billion, 18.9 percent), machinery and transport equipment ($3.51 billion, 18.3 percent) and animal and vegetable oils and fats ($2.6 billion, 13.6 percent).

Except for inedible crude materials, exports of the other major categories showed increases.

The top income earner remained crude petroleum with revenue of $4.46 billion, followed by thermionic valves and tubes and photocells ($2.29 billion), rubber ($1.48 billion), saw logs ($1.29 billion), palm olein ($1.23 billion), and liquefied natural gas ($1.12 billion).

Malaysia's main trade partners during the period were Japan which imported goods worth $3.57 billion from Malaysia and exported $4.36 billion, Singapore (imports $2.47 billion, exports $3.92 billion) and the US (imports $2.54 billion, exports $2.42 billion).

/12851
CSO: 4200/398

NATURAL RUBBER INDUSTRY NEEDS CHANGE

Kuala Lumpur BUSINESS TIMES in English 25 Nov 85 p 1

/Article: "NR Industry Revamp Needed"/

/Text/ The government has decided to scrap the rubber smallholding system because the system "has not helped smallholders," Datuk Musa Hitam said yesterday.

The smallholders, he said, are still trapped in poverty, in spite of government assistance through subsidies and grants over the years.

He said the decision to abolish rubber smallholdings was part of the government's strategy under the National Agriculture Policy (NAP).

"It is the government's objective now to shift the responsibility of growing rubber over to the estates, and get the smallholders to switch to other crops like cocoa and oil palm or livestock breeding," the acting Prime Minister said. He was opening the 11th delegates conference of West Malaysia Risda Workers' Union in Desaru near Johore Baru.

He said the problems and poverty faced by rubber smallholders were a reality that "we all have to accept, whether we like it or not."

The government could not let these smallholders continue to live in perpetual poverty and suffering, he added, saying that it was the government's objective to correct this state of affairs.

The underlying theme of the NAP is to increase agricultural productivity through efficient farming techniques.

"In this context what we are striving for is to reduce the percentage acreage under rubber from the present 40 percent but at the same time increase output through efficient and sophisticated farming techniques," he said.

He said the government's decision did not mean that Risda which has hitherto been involved in the development of rubber smallholdings would be restructured to play a new role.

Risda will in fact be faced with an even more challenging task now. They will be entrusted with the task of changing the mentality and psychology of smallholders so that they will be able to accept the government's move to stop them from growing rubber.

Datuk Musa said natural rubber would continue to be in demand in the world market because to date no suitable substitute has been found.

"But we have to accept the fact that the government's strategy should not be confined to just one main primary commodity.

"We have to increase the cultivation of other crops like cocoa and oil palm which also command good demand internationally," he said.

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CSO: 4200/398

MALAYSIA

SAFEGUARDS FOR FISHERMEN IN THAI PACT ASSURED

Kuala Lumpur NEW STRAITS TIMES in English 18 Nov 85 p 3

[Text]

KUALA LUMPUR, Sun. — Local fishermen will have the last say with regard to the proposed fishing pact with Thailand to ensure that they fully benefit from the venture, the National Fisheries Board (LKIM) chairman Datuk Abu Bakar Rautin Ibrahim said today.

Allaying fears among the local fishermen regarding the proposed pact to be discussed by the Malaysian Government and the Thais, he said the local fishermen need not worry because they would be given an opportunity to study the terms of the agreement.

Speaking to NST, Datuk Abu Bakar said the terms of the agreement must first be acceptable to both the local fishermen and their Thai counterparts before any pact could be established.

"We will certainly not go into any agreement with the Thais pertaining to co-operation in the deep sea fishing operations if our fishermen are not agreeable to the terms.

"There will not be any joint venture until both parties have agreed on the terms," he said.

He stressed that the Government would not do anything to jeopardise the livelihood of the people.

"We have the local interests uppermost in our minds. 'The fishermen need not worry," he said.

He said the fears raised by the fishermen had helped the Government in its negotiations.

"We were glad that the fishermen were sensitive and responsive to the issues. "We have held preliminary discussions with the Thais but these discussions were confined to bilateral agreements on the agricultural sector which concentrate on transfer of technology and experience, officers exchange programmes, the development of the Sungai Golok Valley and the transit of perishable goods from Thailand to Singapore.

"The bilateral agreement would only facilitate the formation of such joint venture operations. Even if it occurred, it would be a fishing company-to-company affair.

"In other words, the local fishermen will themselves decide if they actually want to have any joint ventures."

Datuk Abu Bakar said that even if there were joint venture operations, it would not necessarily mean that the operations would exist forever.

"We will probably restrict the operations to a certain duration after which these operations would probably be handed to the local fishermen," he said.

/13046
CSO: 4200/399

ONE-THIRD OF MALAYSIANS LIVE IN POVERTY

Kuala Lumpur NEW STRAITS TIMES in English 21 Nov 85 p 6

[Text] A THIRD of Malaysians live in poverty, the Dewan Rakyat was told yesterday.

Minister in the Prime Minister's Department Datuk Khalil Yaakob, in replying to Encik Ibrahim Azmi Hassan (BN-Kuala Nerus), said the percentage of people living in poverty in Peninsular Malaysia was 30.3 per cent in 1984 and 27.7 per cent this year.

In Sabah and Sarawak the statistics for 1982, the latest available, showed 29.2 per cent and 31.3 per cent respectively.

The updated statistics for the two States and the latest review for the peninsula will be included in the Fifth Malaysia Plan documents due to be presented in Parliament early next year.

Replying to Wan Mohamad Najib (BN-Pasir Puteh), Datuk Khalil said there was no breakdown of the poverty-stricken by communities.

Encik Ismail Said (BN-Kemaman) then asked whether inflation and the rising cost of living were considered when the New Economic Policy was planned, to which Datuk Khalil replied in the affirmative.

Datuk Saidin Mat Piah (BN-Padang Rengas) again queried on the breakdown by communities, to which the Minister said the rural Malays formed the majority of the poor.

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CSO: 4200/399

MALAYSIA

INCREASED OIL PRODUCTION IF PRICES FALL

Kuala Lumpur NEW STRAITS TIMES in English 21 Nov 85 p 10

[Text] **KUALA LUMPUR, Wed. — Malaysia may have to increase its production of petroleum beyond its targeted level if the price of oil drops below US$24 per barrel, Petronas adviser Tun Hussein Onn said today.**

The former Prime Minister said the 510,000 barrels per day (bpd) level targeted under next year's Budget might only be sufficient if the price stays between US$24 and US$26.

"I can't see what other alternative we have since we depend a lot on petroleum revenue," he told newsmen after receiving $10,000 and $1,000 from Precept Construction Sdn Bhd and Sunday Motor Sales respectively for the Tun Hussein Onn Eye Hospital project at his office in Menara Dayabumi.

Tun Hussein, who is also president of the Malaysian Association for the Blind (MAB), said it has yet to be seen whether the price of oil would drop as oil price forecasts were not very accurate.

According to news agency reports this week, Kuwaiti Oil Minister Ali al-Khalifa al-Sabah said it was not far fetched to think that world oil price could drop to US$15 a barrel.

The Minister said a number of producers were putting pressure on the market in trying to get a bigger share of the world oil sales.

It was reported that though the demand for its oil had dropped, Opec members were seeking to boost their market share.

Tun Hussein said the situation would be serious if the price of oil were to fall to US$20 a barrel. Should the price drop to very low levels, its production might be uneconomical.

He said the factors resulting in the fluctuation in oil price were beyond the Government's control. But while it had no control over the elements influencing oil prices, the Government could control its expenditure which should be curtailed wherever necessary.

/13046
CSO: 4200/399

IRON ORE IMPORT AGREEMENT SIGNED WITH INDIA

Kuala Lumpur NEW STRAITS TIMES in English 22 Nov 85 p 3

[Text]

PENANG, Thurs. — A contract for the export of iron ore from India to Malaysia is expected to be signed soon, Indian High Commissioner to Malaysia Ranjit Sethi said today.

This is one of the steps being taken to rectify the bilateral trade imbalance which is now in Malaysia's favour.

Indian interests will also probably be involved in power and construction sectors in Malaysia.

Mr Sethi said this before paying a courtesy call on Chief Minister Dr Lim Chong Eu this afternoon.

Last year, he said India imported $1.6 billion worth of goods from Malaysia while Malaysian imports from India totalled only $300 million.

The main items imported by India from Malaysia are palm oil, rubber, tin and petroleum. India's main exports to Malaysia are engineering goods, especially equipment for the power, railways, construction and road transport sectors.

India is happy with the positive attitude of the Malaysian Government in trying to increase imports from India.

He said that Trade and Industry Minister Tengku Razaleigh Hamzah was visiting India with a large delegation comprising public and private sector representatives.

"I know that very good preparations have been made for the visit so that Malaysian importers can make significant orders and purchases," he said.

Meanwhile, the State Gerakan Youth has urged Dr Lim to reconsider his decision not to stand in the next general election as he had led Penang from an underdeveloped State to a dynamic and economically strong one.

/13046
CSO: 4200/399

TEXT OF MARCOS ADDRESS AT PHILIPPINE BUSINESS CONFERENCE

Manila BULLETIN TODAY in English 16-18 Nov 85

[16 Nov 85 pp 1, 14]

[Address by President Ferdinand Marcos before the 11th Philippine Business Conference in Cebu City, 15 Nov 85--"Agriculture and the Region: The Key to Economic Recovery"]

[Text]

I am honored by your invitation to address this 11th Philippine Business Conference, and I am delighted by the opportunity that this has provided me to visit Cebu City and the Visayas once again.

This important annual conference of our business community, in moving out for a change from Metro Manila, could not have found a more appropriate and pleasant site for its present deliberations than this city.

To our people, Cebu City is "the Queen City of the South," a kind of second national capital. If Metropolitan Manila today is an impressive network cities and municipalities, so can we speak here of a Metro Cebu comprised of Cebu City proper and adjoining cities and towns. Such has been the impressive growth of this Metrpolis in little more than a decade.

And when we address the subject of "Regional Development in our Country," which is the theme of this conference, we may say that this city and this province personify the climate of opportunity and effort present in our regions today.

The Political Question

I believe we should begin our discussion by tackling first and immediately the issue which is agitating all of us today: My proposal for the calling of early presidential elections in January 1986. This is after all an issue that embodies at heart the question of confidence and consensus in our national life.

Why, it is asked, is there need for such an election at this time?

Why, many have wondered, am I voluntarily offering to shorten my term for the sake of early presidential polls?

I would answer: To secure a vote of confidence for my administration, for our program of government, and for our program for national economic recovery. And I will add that on the successful holding of such election may well rest the long-term stability of the Republic. *(To be continued)*

[17 Nov 85 p 17]

[Text]

Until I made this decision early this month, I had always felt that such a political exercise was not necessary for us to govern effectively that we had more urgent tasks to confront.

During the past two years, in the midst of what is surely the gravest crisis to confront the nation since 1972, there has been strong demonstration of the stability of our government. It has shown its vigor in pushing through a difficult economic stabilization program. It has successfully proven the vitality of its democratic processes and institutions through the holding of successful parliamentary elections. And it has for the most part shown its ability to conciliate the grievances and stem the disturbances that were threatening to break the nation apart.

Yet, despite these evidences of political stability, there persisted doubts and questions about the long-term stability of the Republic.

This is the reason for the special elections.

In your primer on this conference, the Philippine Chamber of Commerce and Industry tellingly observes that there is an evident contrast between the "malaise and depressed spirits of the capital" and "the entrepreneurial excitement of the regions," and it declares that "national economic recovery seems to have a natural starting point in the grassroots, the regional economic development projects."

To that I say "amen." For this is really the point of what we have been talking about and working at in the economic recovery effort. This is the focus of our development activities today, and this regional dimension will make all the difference in the achievement of recovery and the resumption of growth and expansion for the national economy.

In addressing you today, therefore, I want to focus my remarks on our policies and programs for agricultural and regional development. Let us address felt concerns and problems in these areas, with a view to the practical thrust of your scheduled discussions.

Agricultural Development Program

As is now well known, our revised National Development Plan envisions that the agricultural sector will lead the way and propel national recovery and sustain economic growth in the coming years. In line with this, we have formulated a comprehensive program for agricultural development, whose overall objective is the promotion of balanced agro-industrial development.

The reasons for this new emphasis are many:

— In these times of scarce resources for development, agriculture, being non-import dependent as compared to most of our industries, offers the best potential for lifting the economy out of its present recession.

— While all other sectors posted negative growths in 1984 and during the first semester of 1985, agriculture in contrast grew by 0.8 percent in 1984 and one percent during the first semester.

— Agriculture is also the national economy's biggest employer, providing livelihood to nearly 70 percent of the population.

— And in the all-important effort to bring down inflation, revitalizing agriculture should be given priority since food expenditures account for nearly half of the consumer budget.

In the new thrust in the agricultural sector, it is a major advantage that we have laid in place major policy reforms in earlier years and have realized considerable success, particularly in our food production effort. Among these were the following vital policy decisions:

1. The introduction of new technology into Philippine agriculture.

2. The channeling of credit for agricultural development.

3. The adoption of price support for farm products.

4. The modernization of irrigation systems and other infrastructures vital to agriculture and industry.

5. The massive reform of the system of land tenure that for centuries had entrapped our tenants in bondage to the soil.

Because of our experience in earlier years, we know therefore what to do, what to sustain, what to improve, what to intensify. The agricultural environment is hospitable to the major push we are making to increase agricultural productivity and promote agribusiness development. And we have had merely to frame a few additional policies to flesh out the new comprehensive program.

One of these new policy actions is the lifting of controls and interventions that are seen to have dampened production and investments in agriculture. Price controls on all commodities have been lifted with the deregulation of the rice price ceiling last October.

The system of mandatory price ceilings on basic commodities has been replaced by a more active procurement program to beef up grains buffer stock operations for controlling seasonal price fluctuations. For a more effective procurement program, support prices are being maintained. This ensured a ready market for the farmers and reasonable price for their product, thus giving their additional incentives to increase production and contribute to their improved incomes and welfare.

As we take market-freeing intiatives, we are also pushing other policy measures necessary to enhance the agriculture sector's productive potential. In particular, we seek the early passage of the agricultural incentives bill. This will lead towards the efficient mobilization and the proper channeling of adequate financial resources to the sector by enhancing the attractiveness of agriculture to investors. Combined with the other policy reforms, the realignment of incentives will improve farm productivity and generally make agricultural ventures more profitable than in the past. This will not only expand agricultural production and diversify agri-based investments, but will also meet the needs of the rural population, particularly the small farmers.

We are taking into account the complexities inherent in agricultural investments compared with other sectors.

All the policy reforms seek to ensure the independence of policy formulation and regulation from commercial and operational functions. The policy climate being promoted in the agricultural sector allows the market mechanism and private initiative to determine the decisions for production and distribution in order to effect greater efficiency and stimulate entrepreneural spirit.

But this does not suggest by any means that our government agencies will not be at the forefront in supporting private sector efforts in agriculture. We are in the fact identifying now and preparing studies on various ventures

(To be continued)

[18 Nov 85 p 16]

[Text]

Private sector initiative is being encouraged. These include the intensified production of traditional as well as potential nontraditional commercial crops. The prospects for pineapple, a traditional commercial crop, are bright as export earnings which amounted to $133 million in 1984 are expected to increase by about 26 percent by year end. The potential offered by our non-traditional export crops and commodities, on the other hand, such as mangoes, coffee, and fish are great. While our dollar earnings from the exportation of mangoes and coffee are expected to increase by 48 percent and 12 percent, respectively, by end of 1985, fish exports, whether fresh or preserved, will likewise generate an increase in foreign exchange earnings of 30 percent. With the implementation of the rubber development program, it is very likely that the intensified production of this crop will be able to respond to the growing demand of the export market.

The other crops which show potential to support the country's import substitution program include cotton, dairy, yellow corn, soybean, cassava and sweet potato.

Developing Exports

Our thrust in developing agricultural exports coincide with our own emphasis in the production of manufactured exports.

Our basic policy is to produce goods, in both agriculture and industry, for which there is a market abroad, which no other country can produce, or if there are others, which we can produce at which lower cost.

In line with this, we have been conducting surveys of the world market. And it is quite revealing how many products we have in which we have considerable competitive advantage.

Let me outline in the most sketchy manner possible what the agricultural program is:

I. Continue irrigation infrastructure for the year. This year we shall irrigate 140,000 hectares in addition to the about 15,000,000 hectares already irrigated. (Note: Make emphasis on small-and medium-scale irrigation system especially on communal irrigation system.)

II. The production of products that we are now importing should now be given priority. Such products are:

1984 Import Values

a) Animal Feeds like corn, soybean, fish meal, $92,074,314;

b) Dairy Products, $65,531,833;

c) Beef, $1,827,095

d) Wheat and Flour, $136,270,815;

e) Cotton, $19,814,152;

f) Fertilizer, $87,993,395.

(On this matter the Bio-Genetic Experimental Center has already discovered the nitrogen-fixing bacteria of legumes that draw nitrogen from the air and deposit the same in the roots, thereby reducing the necessity for fertilizer. This is known as micorhizza or commonly known as the rhizom (project, the bacteria is actually the nitrogen-fixing system of legumes which should be transferred to rice, corn and other staples. Added to this is the experiment on the use of natural sources of organic fertilizer like Azolla, or the blue-green algae and Ipil-Ipil. Ipil-Ipil is the fast growing nitrogen-fixing tree that can be harvested after nine months for the production of wood pulp, animal feeds and fertilizer.)

III. Control of post harvest losses which today averages 30 percent of the entire crop in staples, vegetables, fruits and other similar products.

IV. Biological control of pests on which advances have been made. Such pests include the corn stem borer, coconut cadang-cadang, rats, locusts, mosquitoes, and the like.

V. The establishment of systems in the production of raw materials indigenous and exclusive in the Philippines, like rattan for wicker furniture, black nito vine buntal and buri as well as ramie, prevent the exportation of such raw materials so that we have the exclusive manufacture of the final products which we expect will continue to have a market in the next several years. This includes the establishment of plantation worked and managed like any other plantation just as we are managing sugar plantations and coconut plantations.

VI. In mining, the redirection is towards minerals that are found in the Philippines which find ready market to replace our exports of copper chromite and nickel. At the same time, we must increase the profitability of the present copper mines by increasing the recovery of gold and silver and even titanium or tungsten as by-products. Titanium is one of the materials that is used in space travel.

VII. We must mine new products, like kaolin which is ordinarily used for ceramics and polishing paper and which is substantially a part of the production of rubber tiles.

VIII. The conversion of the deforested areas with an area of about 2.5 million hectares into plantations either of the new coconut or palm oil varieties or fruit trees in orchards, as of the mango in the lower areas, including guyabano, duyap and calamansi. This involves the development of fresh fruit juices processing which are expected to be one of the most marketable items in the next several years in the world market.

IX. We should establish multi-story cropping plantations especially in coconut and sugar regions. In coconut regions, the first story would be the production of such crops like soybean, green peas and black pepper. The second story will be pineapple and cintronela. Cintronela, which is known in the Philippines as tanglad, is the source of menthol that is used in menthol-tipped cigarettes.

X. The systematic establishment of orchards in the proper zones w: worked out by the survey conducted by the ministry of agriculture. This shall include not only production but likewise the processing since processed natural food like fruit drinks is expected to be saleable in the next several years or even during the decade.

XI. We should also establish plantation for essences and for perfume, like ilang-ilang, centronilla, vanilla and pachuli, and small farms that produce exotic tropical flowers and orchids for exportation.

XII. The Philippines is one of the four UN-sponsored fisheries research and development centers. We succeeded in producing fry under controlled laboratory conditions for prawns, milk fish and carana or talakitok or maliputo.

XIII. We should now plot the movement of tuna fish schools that are supposed to be moving around the Philippines all years round following food, current and the climate. Tuna is our biggest export in the fishing industry. We have been informed as to where they are in certain parts of the year but the plotting of their movements is not complete.

XIV. It takes one and half years to mature a lobster for market. We have had experiment to show that this can be reduced to one year or perhaps six months.

XV. We should now develop the fishpond industry so that it is not vulnerable to the storms and typhoons that visit the northern half of our country. This includes the replanting of mangrooves or bakawan trees as wind breaks and the systematization of the water drainage system to prevent overflow of fishponds.

XVI. We have 63 lakes of 200,000 hectares in the Philippines and sea coasts longer than that of the United States. The brackish water available for control production of fish amounts to something like 196,300 hectares. Fresh water swampland is 128,000 hectares. Brackish water swampland is 262,000 hectares. Fresh water fishponds is 13,800 hectares. Inland River water resources is 131,000 hectares. This should now be opened up to investors for prawns, lobsters, oysters, milkfish, caranx and dudong, the salmon-like fish found in the Cagayan River and in Mindanao Lakes. Experiments are going on the use of all this internal waters on a large scale. Investors should be welcomed to a long period of control and management over areas that the government should ease out or dispose of.

XVII. Energy. Through the use of multi-purpose dams, geothermal and dendrothermal. (Dendrothermal means the use of wood waste and wood pulp or wood and coconut charcoal to fuel generation for electricity as well as mobile engines for vehicles.)

As we get this sharper picture of the world market, we align better economic efforts at time. And on a nationwide scale we can rigorously identify what products specific regions can produce or manufacture efficiently based on its endowments and resources.

Regional Development

This brings us to the theme of your conference, "Regional Development." Your choice of theme highlights the government's own commitment to regional development as one of the major goals and instruments of national development. Specifically, regional development both as a goal and a strategy, aims to effect equity of opportunity for each region to exploit its indigenous resources potentials for productive development endeavors. It also rectifies the imbalance among and within regions as manifested by disparities in income and welfare and in access to social and economic opportunities.

To correct the wide disparity in the levels of development and rates of growth among the different regions of the country, each of the regions has formulated its regional development plans and investment programs. Through these regional plans and investment programs, each region is given ample opportunities to fully utilize its resource endowments and comparative advantages.

To give substance to the two-pronged strategy of agricultural modernization and regional development, we are encouraging more private sector investment in agribusiness, not only to meet basic domestic food and raw material requirements, but also for the production of agricultural commodities which are import-substituting or have good export potential such as yellow corn, soybeans, coffee, cacao, cassava, fruits and other food and commercial crops. I am happy to note that the PCCI and the regional development councils have taken the initiative in identifying business proposals in specific regions.

Programs to promote specific crops are ongoing in the various regions. For instance, we have the cotton financing program in six (6) regions, the rubber development program for all of Mindanao, and the expanded yellow corn program which complements Masagana and covers selected provinces in various regions of the country. Financing has also been made available to encourage the production of feed ingredients like soybeans, cassava and ipil-ipil, and chemical fertilizer substitutes such as azolla.

The programs which stabilize feed supply and prices will help us achieve self-sufficiency in feed-grains within the next two years. And we can look forward to an accelerated growth of the livestock and poultry industry.

The expansion in irrigated areas in the various regions provides a wider base for increased agricultural production. We are targetting approximately 140,000 hectares of additional irrigated area in the next three years. We are doubling our efforts in developing smaller-scale, communal irrigation and water-impounding projects which cost less, and can be completed quickly. And to improve agricultural productivity, we are now hastening the application of appropriate science and technology in agricultural projects.

For the fisheries industry, we expect to complete the development of five regional fishing ports, namely: Iloilo, Zamboanga, Lucena, Sual, and Camaligan, by 1988. Construction work for fish ports in Davao, Cagayan de Oro, Cebu, Tacloban and Cadiz will commence in 1987.

Industrial Programs for the Regions

With respect to industry in the regions, the emphasis is on the promotion of agriculture-based and related activities. These range from the provision of agricultural inputs, such as the manufacture of farm equipment and organic fertilizers, to the processing of products including packaging, to the moving of products from farms to market outlets, port and bulk handling and marketing services and facilities. The momentum for the industry dispersal program will therefore continue. Incentives are available to private investors for locating their industrial and agricultural projects in less developed areas.

Cottage, small and medium industries are particularly encouraged because they contribute immensely to employment, exports, and industrial dispersal. The government continues to provide them support for start-up operations as well as technical assistance and marketing services. At the same time, production technology centers and common marketing facilities are being set up in the different regions of the country. Access to capital is being facilitated through the venture capital program which generally requires no collateral and provides for basically risk-sharing ventures.

To stimulate greater interregional trade, and thereby reinforce production and marketing, there are programs to effect a more systematic collection and dissemination of data on supply, demand and prices. Market encounter programs are being mounted, matching suppliers with distributors in all parts of the regions.

Development Support Services

Government efforts in the regions are also visible in the development support services we provide. We have area-specific projects which are in the various stages of implementation, such as the Central Visayas Urban/Rural Project (CVURP), the Cagayan Valley Agro-Industrial Development Project (CAVAID), the Northern Mindanao Agro-industrial Development Project (NORMAID), the Bicol River Basin Development Project, and the various integrated area development projects now on stream in different provinces of the regions. In the implementation of programs and projects under a balanced agro-industrial framework, the following are crucial: barangay and feeder roads, ports, communal water supply, power, and agricultural support services such as extension, research and marketing.

Our infrastructure program will strive to support the development effort. A massive program is now underway to replace temporary or weak bridges with permanent structures, capable of carrying a new generation of heavy equipment. With the backbone of the country's road network nearly completed, the next emphasis shifts to the development of feeder roads and bridges including upland access roads. In this way, depressed areas and isolated communities can be brought into the mainstream of national socio-economic activities.

Over the last few years, there has been increasing concern about the improvement of telecommunications facilities in the country. We will now address this need. Among other things, the regional telecommunications development project is now underway in regions I and II. Arrangements have also been made for the immediate expansion of this project to other regions.

Human Settlements planning is ongoing. To relieve population pressures in the Metro Manila Area, sizeable investments are being allocated to the cities of Cebu, Iloilo, Bacolod, Davao and Cagayan de Oro to develop their infrastructure and essential urban services under the regional cities development project and the Central Visayas urban project. With assistance from the World Bank. The idea is to develop the basic transportation, housing, sanitation, drainage facilities and related services in these major cities in order to increase industrial activities which are supportive of rural development. The national physical framework plan is currently being drawn up to spell out the spatial dimension of our development plan.

In addition, we have taken concrete measures to integrate the security dimension in our development efforts. We recognize that development cannot proceed effectively if the security situation deteriorates. Accordingly, we are focusing on those development projects which can swiftly generate more jobs, raise productivity and incomes, and provide basic services to our people in the rural areas.

This, as we step up efforts on the military end.

Conclusion.

If we take a total view of our regional development program, we can surely say that there is a great deal going on today in our countryside that many in Metro Manila are only dimly aware of; and there is a great deal more of opportunity in the regions for our business community to seize than is perceived.

We welcome therefore the new and heightened interest of the PCCI in the regions, and its efforts to link up with what the government is doing outside Metro Manila. We applaud this initiative. And we shall strive to encourage and support it.

It is our firm resolve to nurture and broaden the perceptive quickening of economic activity and confidence taking place in the country today.

The policies of reform and deregulation in the economy will be carried forward. The policies that have led to economic stability will be kept securely in place. We are determined to preserve the value and stability of the peso. We shall prevent inflation from further hacking away at incomes and savings. We shall strive to bring down interest rates further. And we shall strive to manage our national debt intelligently and prudently, and ensure sound economic expansion in the country.

And because there is a natural link between economic solvency and political stability, between economic growth and material security, we shall not shirk decisions necessary to promote political stability and national security.

Thank you and good day.

/9317
CSO: 4200/388

PHILIPPINES

REPORT ON FIRST LADY'S ADDRESS AT PHILIPPINE BUSINESS CONFERENCE

Manila BULLETIN TODAY in English 16 Nov 85 pp 1, 14

[Text]

The presidential election early next year will prove that the country is stable and will correct unrealistic perceptions in the West, according to the First Lady and Human Settlements Minister Imelda R. Marcos.

Mrs. Marcos made this statement before a luncheon-meeting of the Philippine Business Conference at the Cebu Plaza. The same group was earlier addressed by the President at the Cebu Coliseum.

She said that the Western press was no help in solving the problems that confronted the country in the last three years, including the typhoons, droughts, Aquino assassination, and other crises.

"As far as the Western press is concerned, they think that the main problem is the loss of credibility of the government. At the same time, the perception in the West is that there is no political stability and security for investors in the country," she said.

The First Lady related that world leaders, with whom she met in her recent mission abroad, aired concern over what was believed to be a growing communist threat in the country which the Western media had unduly exaggerated to unrealistic levels.

"Even in communist countries, the Western press has succeeded in convincing people that communism has taken over the Philippines," she said.

With the presidential election, the country hopes to rectify this perception, she said. "For what has taken over here is the Filipino ideology and not the communist ideology. And neither the left nor the right reigns supreme but the Filipinos themselves," she added.

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CSO: 4200/388

BULLETIN CITES MARCOS CEBU SPEECH, ATTACKS 20 YEAR RECORD

Manila BULLETIN TODAY in English 16 Nov 85 p 6

[Commentary by Benedicto David: "'Why?' Indeed"]

[Text]

PRESIDENT Marcos made a lot of sense when he spoke before his Cebu audience yesterday. He batted for agricultural development and pronounced policies against anti-dumping and the export of local raw materials.

All of this made sense.

But then, he asked "why?" — why we had to import animal feeds, why we had to import products that compete with our own, why we exported raw materials to compete with our own finished products.

We are afraid that the reason behind that and a host of other ills is government policy that made it difficult to export and easy to import and emphasized packaging and assembly industries over real factories that turn out finished products from our own raw materials.

After 20 years, it would seem, the President has seen the light and has at least announced policies that, if truly implemented and minus graft and corruption and undue favoritism, might tend to generate jobs and spur the development of our own resources, and keep the labor force home where it belongs, contributing to the gross national product and enabling the worker to support his family decently.

It is unfortunate that he did not do this when he assumed office almost 20 years ago, and that he and his Cabinet did not see as a sine qua non of national economic development.

Now that he has seen the light, we are waiting for the implementation of his pronouncements. We have heard similar grandiose announcements before — for rapid industrialization, for the development of tourism, and for the development of an export market.

Today, he talks finally of producing enough food to feed our people, providing jobs that would enable workers to find a way of providing food for their families. This is a good sign. This is what the opposition has been talking about over the past few years.

If such policies were to be implemented according to Mr. Marcos' announcements, then we would indeed go on the right road to recovery, a situation brought about by erroneous policies on the part of government and of some of his so-called friends who have denuded our forests (especially in Cebu) and have partly crippled the agricultural sector because of the floods that wash away precious top soil and killed our fish-harboring coral reefs.

Following his line of thinking, we look forward to a total ban on log exports; a return of private enterprise to sugar, copra, and other fields of agricultural endeavor; and encouragement of private sector activity at the expense of government interference in private business.

Following that line of thinking, we look forward to greater economy in public expenditure for various and sometimes lavish trips abroad; fewer Mercedes Benzes for government officials and hangers-on; and an Ilocano frugality in the running of government.

We echo Mr. Marcos' question of why this has not been done over the past 20 years and we hope that he finds out why and does something about it during the rest of his tenure as President of this country.

We also look forward to a massive crackdown on abuses by military men — and paramilitary men — and the release of those who have been jailed for political offenses or alleged offenses.

If Mr. Marcos wants unity, he must start with those who opposed him because policies were either wrong or improperly implemented.

That, coupled with a new attitude on the part of the military to act like Filipino soldiers instead of a conquering horde would do wonders for the country indeed.

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CSO: 4200/388

BUSINESSMEN CITE CONCERNS DURING CEBU GATHERING

Manila BULLETIN TODAY in English 18 Nov 85 p 24

[Article: "Businessmen Complaining of High Cost of Money; Breakdown of Peace and Order in Some Areas"]

[Text]

CEBU CITY — The 11th Philippine Business Conference (PBC) wrapped up its two-day session here Saturday night with a call for reduction of financial charges and restoration of peace and order.

These two issues, along with the merits and disadvantages of the snap election on the economy, dominated most of the discussions here as businessmen representing the country's twelve regions tackled various factors that impede economic activities.

Businessmen clustered in three separate workshops manifested in their resolution presented to Prime Minister Cesar E.A. Virata that the high cost of money to an effective interest rate of 52 percent (now down to 28 percent) had been hampering development and competitiveness of industries.

PBC participants noted that available financing facilities, particularly to the agriculture sector, carry prohibitive rates since these types of funding have been worked out at a time when charges were high.

On the other issue, the 11th PBC said in a report that the pursuit of agricultural projects and business activities was being hampered by the "breakdown of peace and order in some areas."

The conference adopted a resolution that would "bring to the attention of the national leadership the need for immediate and intensified campaign to restore peace and order which is critical to encouraging agri-investments in the region."

Regional chambers of the Philippine Chamber of Commerce and Industry (PCCI) also pointed out the alarming occurrences of "checkpoints" or "tong" which increase the cost of manufactured goods and agricultural products.

The practice of imposing "fees," according to conference participants, has dealt a serious blow to the competitiveness of export products since the added cost had to be passed on to the commodity.

Businessmen added that the "high incidence of criminality such as robberies and extortion money create unfavorable climate to enterprise."

The growing radicalization of the labor sector was likewise aired during the conference as contributory to uncertainty in business.

The 11th PBC also passed a resolution touching on the sensitive minimum wage policy. One proposal submitted was for an open wage policy in the regions to invite dispersal of economic activities. Regional public hearings, according to one workshop, should be held on the minimum wage issue in order to rationalize the law to suit locations and industry sectors.

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CSO: 4200/389

PHILIPPINES

MANILA EDITORIAL WELCOMES FOREIGN INTEREST IN SITUATION

Manila BULLETIN TODAY in English 16 Nov 85 p 6

[Editorial: "Foreign Interest"]

[Text]

THE economic crisis, the political situation, and the insurgency have attracted the attention of foreign countries. They have shown up the importance of the Philippines to them to the extent that intervention in the domestic affairs has been held possible.

Foreign interest in the Philippines is obvious. It derives from several facts — the Philippines is reputed to be an anti-communist bastion, a member of ASEAN, an ally of the United States while at the same time being friendly to communist states, the host to US naval and air forces, the source of some important commodities, and its strategic location.

In the absence of the important problems besetting the country, these factors are generally taken for granted by the Filipinos and foreigners alike. But now more people are realizing just how important the Philippines is.

What Filipinos should realize is that most foreigners would like the country to be strong, peaceful, productive, friendly, and democratic.

There are many proofs of this kind of foreign thinking. The different types of foreign assistance received, the friendly counsel, and various types of cooperation in many aspects of life are some of them.

Foreign countries do not like a weakened Philippines for the obvious reason that such a condition is likely to have adverse effects on them too.

This consideration should be an inspiration to the Philippines. While it strives to solve its problems and improve its condition, it should realize that it has the backing of friendly countries. But that is as its should be in this day and age of international cooperation.

/9317
CSO: 4200/389

'SERIOUS' WORLD BANK CONCERN ON FALLING GNP REPORTED

Manila BULLETIN TODAY in English 16 Nov 85 p 21

[Article by Jun Concepcion]

[Text]

The World Bank has expressed serious concern over the negative growth rates plaguing the country's economy and the non-utilization by local businessmen and farmers of the $3 billion trade facility and the $100 million agricultural loan fund from the World Bank, banking sources said yesterday.

A group of visiting World Bank officials expressed this concern during recent separate meetings with bankers and private businessmen.

Sources said the World Bank group appeared sympathetic to the current plight of the country's economy and seemed to realize the great need for the economy to start recovering at the soonest possible time.

It was learned that the World Bank panel initiated the informal meetings with the bankers and a group of businessmen primarily to have an exchange of views on problems plaguing the economy and the non-utilization of the trade facility and the ALF.

While the World Bank group did not explicitly say what possible courses of action the WB will take, the sympathy which they expressed on the predicament of the economy raises the possibility of the WB adopting a more flexible stance on various terms and conditions which it had earlier imposed on the government, sources said.

This flexibility may be seen in the import liberalization program which the government had been asked to undertake, sources said.

It was learned that the World Bank group was told by the group of private businessmen that farmers cannot be expected to get loans from the $100 million ALF if they are charged commercial or industrial rates on their loan requirements.

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CSO: 4200/389

PHILIPPINES

RENEWED NPA OFFENSIVES SAID PROOF OF GOVERNMENT SUCCESS

Manila BULLETIN TODAY in English 17 Nov 85 p 6

[Commentary by Adrian Cristobal: "The Anti-insurgency Campaign"]

[Text]

FOR the past several weeks, increasing press coverage has been given to developments indicating the success of the government's comprehensive counterinsurgency program. This updated counterinsurgency program combines increased military presence with socio-economic, infrastructural, and political development projects designed to eventually win the hearts and minds of people in rebel-controlled or threatened areas. A seemingly unending stream of reports coming from practically all regions contain glowing accounts of numerous mass surrenders of NPA regulars and supporters, rebel training camps being captured, Army Scout Rangers routing NPA guerillas in their own brand of fighting, restoration work on NPC towers blasted by insurgents in Bataan, the construction of barangay roads, bridges or schoolhouses — all of which tend to show the stabilization of everyday life in areas formerly controlled, influenced or threatened by dissidents.

But in the past two weeks, a series of seemingly coordinated attacks were launched by relatively large concentrations of NPA guerillas in Northeastern Mindanao, the Bicol region, Samar and Kalinga-Apayao. This development may be interpreted in two ways. For one, it may signal the start of a series of NPA tactical offensives to show both local and international observers that government reports about the NPA being "on the run" is nothing but an empty claim. For another, it may be a renewed effort by the dissidents to relieve other beleaguered NPA units bearing the brunt of relentless AFP operations, particularly those in Mindanao and the Cordilleras.

If it is the former, it is possible that the NPA is only trying to give substance to persistent reports contained in the various policy studies often cited by members of US Congress as "proof" of the "seriousness" of the insurgency situation in the Philippines — that it is really growing at the alarming rate of 20 per cent a year and that their present areas of operation indeed cover 62 of the country's 73 provinces. But if it is the latter, then it is also possible that the sustained military campaigns being launched by the AFP against suspected rebel strongholds, particularly those in Mindanao, are starting to yield the expected dividends. And for the government, this could only mean that it has finally made a significant breakthrough in adopting and implementing a correct combination of the "left hand/right hand formula" in its counterinsurgency program.

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CSO: 4200/389

MANILA DAILY ENDORSES MILITARY OVERHAUL

Manila BULLETIN TODAY in English 17 Nov 85 p 6

[Editorial: "Revamping the AFP"]

[Text]

THE matter of the overstaying generals popped up as the President discussed the overhauling of the Armed Forces because of its relevance to combat-effectiveness.

It is believed that the Armed Forces can be more efficient if the number of overstaying generals is reduced to the minimum, because too many of them adversely affect the morale of the officer corps and because the old generals have developed associations which in some ways are discriminatory to many officers. For in the Armed Forces, as in many other large organizations, there is favoritism — the *bata-bata* system.

This arrangement tends to cover up certain weaknesses in the organization, to the disadvantage of the whole outfit. On the other hand, more or less regular changes in the important positions put everybody on his toes, because everybody knows that the advantages of favoritism are bound to be shortlived.

The morale of the Armed Forces depends on many factors. Some of those which tend to have negative effects cannot easily be remedied because of financial constraints. But there is no need to add some negative factors which are avoidable.

At this time, an overhaul appears to be advisable. Announcement of a wide-ranging revamp should raise expectations in the ranks. Some would expect it to be the dawning of a new day. The hopes should be fulfilled. Should it turn out that the overhaul is in name only, it would be better not to attempt any overhaul at all. The effect on morale would be less traumatic.

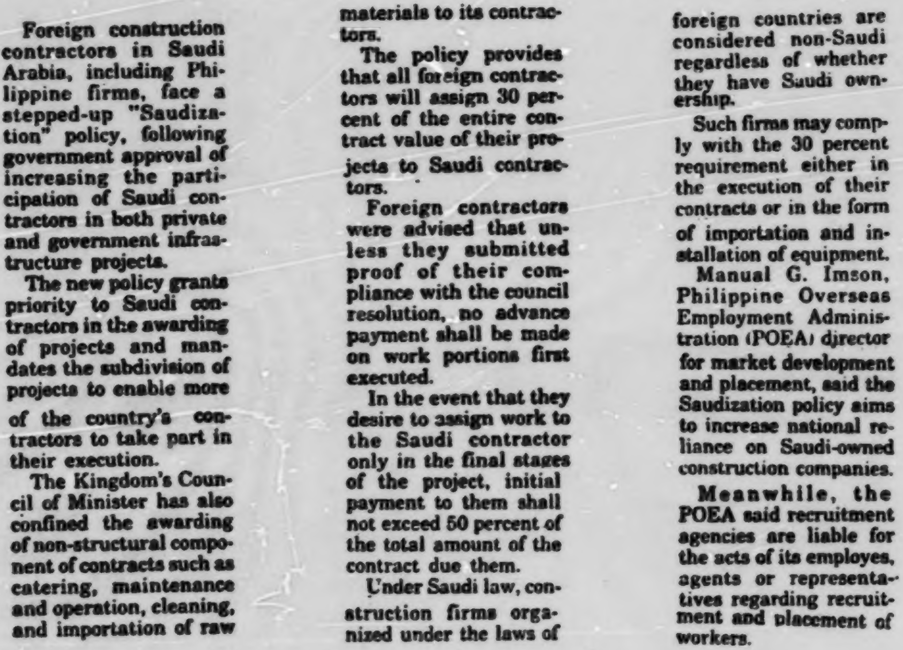
/9317
CSO: 4200/389

NEW SAUDI CONSTRUCTION POLICY LIMITS LOCAL CONTRACTORS

Manila BULLETIN TODAY in English 19 Nov 85 p 5

[Article by O.S. Giron]

[Text]



Foreign construction contractors in Saudi Arabia, including Philippine firms, face a stepped-up "Saudization" policy, following government approval of increasing the participation of Saudi contractors in both private and government infrastructure projects.

The new policy grants priority to Saudi contractors in the awarding of projects and mandates the subdivision of projects to enable more of the country's contractors to take part in their execution.

The Kingdom's Council of Minister has also confined the awarding of non-structural component of contracts such as catering, maintenance and operation, cleaning, and importation of raw materials to its contractors.

The policy provides that all foreign contractors will assign 30 percent of the entire contract value of their projects to Saudi contractors.

Foreign contractors were advised that unless they submitted proof of their compliance with the council resolution, no advance payment shall be made on work portions first executed.

In the event that they desire to assign work to the Saudi contractor only in the final stages of the project, initial payment to them shall not exceed 50 percent of the total amount of the contract due them.

Under Saudi law, construction firms organized under the laws of foreign countries are considered non-Saudi regardless of whether they have Saudi ownership.

Such firms may comply with the 30 percent requirement either in the execution of their contracts or in the form of importation and installation of equipment.

Manual G. Imson, Philippine Overseas Employment Administration (POEA) director for market development and placement, said the Saudization policy aims to increase national reliance on Saudi-owned construction companies.

Meanwhile, the POEA said recruitment agencies are liable for the acts of its employes, agents or representatives regarding recruitment and placement of workers.

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CSO: 4200/389

COLUMNIST: SUCCESSION BILL ESTABLISHES POLITICAL STABILITY

Manila BULLETIN TODAY in English 22 Nov 85 p 6

[Commentary by Orlando F. Aquino: "A Big Step"]

[Text]

THE Batasang Pambansa, in approving on second reading a succession measure on the presidency, has taken a big step toward establishing political stability in the government structure. For as everyone who understands politics knows, continuity in the transfer of authority is very important in ensuring government stability, more so in a highly centralized setup such as what we have in the country today.

The order of presidential succession as approved will be the vice president, prime minister, speaker, deputy prime minister, or the speaker pro tempore. If the speaker pro tempore fails to assume office for any cause, the Batasang Pambansa will immediately convene and elect by a majority vote who will act as president from among its elected members.

Thus, when the succession bill is finally enacted into law with its signing by President Marcos — the third reading in the Batasan being a mere formality — the people can rest easy in the knowledge that somebody is legally empowered to assume office in the event of a vacancy at the top.

By acting on this important measure, the Batasan has truly shown its ability to respond with resoluteness on a matter of highest public interest.

About a week before the resignation of MP Cecilia Muñoz-Palma as chairman of the National Unification Committee (NUC), we received a letter from former Senator Rene Espina, secretary general of the United Nationalist Democratic Organization (Unido), clarifying certain views we had expressed about the NUC.

Espina sent us a mimeographed copy of what he said were excerpts of the minutes of the March 10 conference which formally established the NUC. The unification process called for the setting up of "national initiator teams" to in turn enlist "local initiators" to organize "local alliance assembly" in each province, cities and towns "consisting of representatives from the NP, LP, PDP-Laban, and the unaffiliated Unido and, where such exists, a representative of a regional party."

The assembly will then select its own "local alliance council" which will be empowered to formulate guidelines for "selecting local candidates" and "delegates to a joint national convention" which shall nominate the common presidential candidate for the 1987 elections as well as the "members of the national alliance council" and the "NUC will continue to exist until the national alliance council shall have been formed."

But judging from actual happenings — like the holding of a Unido convention to proclaim former Senator Salvador "Doy" Laurel as its nominee in the selection process — the said minutes must have been greatly modified since then as to render them no longer binding on anybody.

* * *

The Philippine Contractors Association has called upon the Ministry of Public Works and Highways (MPWH) and other government agencies concerned about certain policies that have made Filipino contractors second-class citizens in their own land.

The PCA lamented the "built-in advantages" that foreign contractors have in undertaking foreign-assisted projects in the country. "Foreign firms are entitled to foreign currency conversions of a percentage of their peso receipts without passing through the Central Bank, whereas Filipino contractors get everything in pesos and have to buy dollars from the Central Bank, if ever allowed, for their import of equipment and/or other expenses for spare parts and supplies," it said.

"An added advantage," it continued, "is their immediate remittance of their so-called 'home office expenses' which are not subject to audit by our internal revenue officers, including their profits and, therefore, the local operations may not show any taxable income anymore. They are all charged to 'home office expenses.'

"With the assured foreign currency remittance to their home governments, the foreign contractors are given added incentives which local contractors do not receive."

Perhaps, that is what is called the "strings attached" to foreign-assisted projects.

* * *

Taking the cue from the many "Kapihan," "Lambingan," "Cafianan" and other forums that have mushroomed nowadays, a group of medical practitioners has organized the "Junta Medica" to draw public attention to issues related to medical and health problems.

The junta held its first monthly meeting at the Manila Hotel last Monday and tackled the deterioration in the quality of medical education and the "donations" exacted by certain schools from medical students.

More power to it.

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CSO: 4200/389

HEALTH MINISTRY SUPPORT ASKED FOR DOCTORS HARRASSED BY AFP

Manila BULLETIN TODAY in English 22 Nov 85 pp 1, 15

[Article by Marcia C. Rodriguez: "Protection for Rural Doctors Sought at Meet"]

[Text]

Hospital owners and administrators appealed yesterday for protection for doctors who are entangled in medico-legal cases and are harassed by members of military and subversive groups in the rural areas.

They asked Health Minister Jesus Azurin, who was guest speaker in yesterday's annual convention of the 1,706-member Philippine Hospital Association, to intercede on behalf of doctor who are sued or harassed for doing their duty.

The Private Hospitals Association of the Philippines (PHAP) agreed at its meeting Wednesday to present a resolution to President Marcos to review laws that are inimical to the welfare and performance of duties of doctors.

Dr. Constantino Nuñez, former president of the Philippine Medical Association, said rural physicians with their meager salaries are forced to spend money while attending to medico-legal cases they have treated or are themselves charged in court.

Nuñez, a medico-legal counsel in several hospitals, said that several physicians have been charged with violating Presidential Decree 169 which requires doctors and other persons treating injuries resulting from any form of violence to report to the nearest Constabulary unit.

Under the decree, the attending physician or hospital personnel who fails to report these cases will be penalized with imprisonment of not less than one year nor more than three years and/or a fine of not less than ₱1,000 nor more than ₱3,000.

Nuñez said that doctors who comply with the law are harassed by alleged subversives while those who refuse to report such cases are harassed by the military.

Hospital owners reported that medico-legal cases are not only draining doctors financially but are also consuming the time they could have allotted for patient care.

On cases of doctors who have allegedly been detained for treating subversives, Azurin stressed anew that treating insurgents does not constitute a case against attending the doctor or hospital personnel. "Treating a subversive should not be punished per se. But if the doctor has contributed to the movement, it is a different thing," Azurin said.

Asked about the case of Dr. Josephine Rances Tan, a member of the Medical Action Group in Southern Tagalog who has been detained, Azurin said that military reports submitted to the health ministry showed that she was not only treating subversives but providing material assistance to them.

Recollection

The Women's Eucharistic League of Sta. Cruz Church, Manila will have an advent recollection on Nov. 30, from 8 a.m. to 5 p.m. at St. Scholastica's College, Leon Guinto St., Manila. Main speaker will be Msgr. Sabino Vengco. The Theme is "The Eucharist & the Community of Faith."

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CSO: 4200/389

NARONG KITTIKHACHON ANSWERS COUP CHARGES, SEES ARMY DISUNITY

Bangkok CHAT ATHIPATAI in Thai 2-8 Nov 85 pp 18, 19

[Interview with Col Narong Kittikhachon, a Thai Nation Party MP from Ayuthaya Province; date and place not specified]

[Text] [Question] There are rumors that you were involved in the events of 9 September.

[Answer] Are people crazy! How could I have been involved? The officials are crazy. Whenever something happens, they look my way. During the rebellion of 1-3 April 1981, Special Branch Police officials were sent to watch my house. How could I be involved? I have been out of the army for 12 years now. But during the 9 September rebellion, they again stationed Special Branch Police officials in front of my home. They watched my house for several days and checked on my whereabouts. By chance, I was traveling abroad at that time. They checked on that. They called the Immigration Division and were told that I had left the country on 24 August. After that, they stopped checking on me.

[Question] What countries did you visit?

[Answer] I went to Boston in the United States. I have two children studying there.

[Question] Did you go to Germany?

[Answer] Yes. Before returning to Thailand, I went there to see an old friend. I stayed there 2 days before returing to Thailand.

[Question] Did you see Col Manun?

[Answer] No, I didn't. Why would I want to see him? We are not involved with each other.

[Question] After you left Thailand following the events of 14 October 1973, didn't you stay in Frankfurt?

[Answer] No. At that time, I went to Luxembourg, which is about 300 km from Frankfurt.

[Question] There have been reports that you took some money to Col Manun.

[Answer] Why would I do that? Manun is wealthier than I am.

[Question] Did you know Col Manun previously?

[Answer] Yes. He was my subordinate when I was a platoon leader at the academy. They were my subordinates. I was there for 3 years. I handled 12 classes of cadets. Hank's (Col Phiraphong Sapphakphisut) class was the last class.

[Question] When did you last see col Manun?

[Answer] At last year's CRMA [Chulachomklao Royal Military Academy] Day. I asked him what he was doing. He said that he was studying for his masters' degree at Kasetsat University. I told him not to get involved with the military. I told him to get his Ph.D. and become a teacher.

[Question] The rumors say that one of the objectives of the 9 September coup was to secure the release of the assets that were seized from you.

[Answer] That's crazy. How could we know what they were planning? We are outside the military. They don't tell us what they are planning to do. We can't say anything about those assets. My father and Uncle Tu wouldn't get involved. They are too old.

[Question] When did you learn about the coup?

[Answer] When I was in Boston. I read about it in THAI RAT. I read about it in the 10 September issue, which got there on 14 September.

[Question] How did you feel when you learned about this?

[Answer] I didn't get excited. I think things were done very loosely. That is, they did not make careful preparations. They wanted to stage a coup and so they went ahead and did so. It was like a joke. This was different from in the past when it took people at least 2 years to plan a coup. In the past, a coup was not launched on the spur of the moment.

[Question] Does this coup attempt show anything?

[Answer] The coup makers may have felt that the government is not administering things well. They may have felt that the government can't solve the problems for the people and so they wanted to make a change.

[Question] Do you think that coups are still necessary in Thailand?

[Answer] I don't think that that is the right way to solve the country's problems. Almost all of the country's problems are political problems. They have to be solved using political measures. If a coup succeeds, it does not mean that the coup makers will be able to solve the problems immediately. They will have to start from the beginning again. Everything will be delayed for at least 3 months and possibly even years.

Actually, it isn't necessary to stage a coup. If they really want to solve the problems, I would rather see them do so in parliament. A special session of parliament can be convened if it is too long before the regular session. The problems can be discussed in parliament. The opposition has readied much data and has many problems for the governmemt to solve. But the government must be broadminded and allow the MPs to speak out. Many MPs who belong to government coalition parties would like to speak out, too. The government must allow them to speak out. It can't prevent them from speaking out just because they are members of the government. It can't cite rules to keep them quiet. That is not right.

[Question] When you were in the military, did you ever participate in a coup?

[Answer] Yes, twice. The first time was when I was a sublieutenant during the time of Field Marshal Sarit Thanarat. Field Marshal Sarit ordered us to go arrest Field Marshal Phibunsongkhram. We did so without question since we had been given an order by our superior. But Field Marshal Phibunsongkhram fled before we could arrest him.

The second time was when I was with the 11th King's Guard Infantry Regiment. At that time, my father was the prime minister. A split had developed within the Sahapracha Thai Party, the government party. There was great turmoil, and the MPs were buying votes. The government couldn't control this and so parliament was dissolved and a coup was launched.

[Question] What were coups like in the past?

[Answer] Things were better then because the soldiers did not divide along class lines like they do today. There was not much opposition. Subordinates followed the lead of their superiors. When they were ordered to take forces and seize a point, they did so. There was great unity at that time. The regimental and battalion commanders met with their men regularly each month, or even each week. Even privates and NCOs had a chance to say what they wanted. Whoever had a problem could ask for help. This generated strong solidarity.

[Question] What about today's soldiers?

[Answer] I have been out of the military for a long time now. Whatever I say might be wrong. But I have the feeling that people today are out to make a name for themselves. Fellow soldiers may feel that that person has gained a name for himself and that they shouldn't get involved with him. When this is the case, they can't do anything since their associates won't help them. In the past, the RTA CINC called a meeting every month in order to inform the army area and divisional commanders of the policies. In turn, the divisional commanders held meetings with their regimental, battalion and company commanders. If there were problems, people could discuss them freely. Because people had a chance to meet and talk with each other frequently, they understood each other. People didn't compete against each other like today.

[Question] Do you think that amnesty will be granted?

[Answer] That's up to the government. If the government wants to do that, it will have to convene parliament and have parliament issue an amnesty law. But there is another way and that is for the king to grant them amnesty.

[Question] Do you think that there will be another coup?

[Answer] There shouldn't be. There are too many splits within the military. They are all suspicious of each other.

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CSO: 4207/67

AMNESTY FOR COUP MAKERS DISCUSSED IN ARMY CIRCLES

Bangkok KHAO KRONG in Thai 23-29 Nov 85 pp 12-14

[Unattributed report: "The Secret Negotiations at Suan Runrudi on Granting Amnesty"]

[Excerpt] On 9 November, it will be 2 months since the 9 September rebellion. It will probably be recorded in the history of power struggles that the negotiations that day to put an end to the conflict between the two power factions succeeded in solving the problem at one level.

The Secret Negotiations at Suan Runrudi, a Confrontation Between the Two Power Factions

Gen Chawalit Yongchaiyut, the army chief of staff who is gaining greater power in the army and who is gaining the confidence of the conservatives, played an important role when he chaired a secret meeting held by the two power factions at Suan Runrudi on 9 November.

The meeting was attended by divisional commanders from the important class that now has a monopoly on divisional command positions--one of the power factions--and an army area commander and his aide, who serves as a staff officer to a senior officier who holds a position in the 1st King's Guard Infantry Division, and commanders from the class that now has a monoploy on regimental and deputy divisional command positions--the other power faction.

Actually, Gen Chawalit almost had to participate in the meeting as a member of the divisional commander faction. But because he was the senior person present, he was finally asked to chair the meeting.

This meeting was held because of the very tense situation that had developed during the week prior to the meeting. Two rumors had been spread in an attempt to make the situation worse. The first rumor stated that amnesty would definitely not be granted to the 9 September rebels. The second stated that an army area commander would be transferred to an unimportant position.

These two rumors had a great effect on one of the power factions. It began engaging in various activities in what it saw as its last chance to resolve matters. When this power faction took action, the other power faction automatically made preparations to defend itself. Seeing this direct confrontation, some senior people in the country realized that if another split was allowed to develop, the situation would be even more serious than that of 9 September. Thus, pressure was exerted to have government and military leaders discuss matters and reach an agreement peacefully.

Date and Participants Changed, Agreement Reached on Two Points

Following that, government and military leaders contacted each other and coordinated matters. Initially, they agreed to meet on Friday. But because both sides had other pressing matters to attend to, the meeting had to be postponed until Saturday. It was agreed that the power bases of the two factions would meet and that the "brains of the army" would chair the meeting. The secret meeting at Suan Runrudi produced two important results:

First, the rumors about the transfer of an army area commander would have to stop. Nothing more was to be said about this. Second, amnesty had to be granted to the 9 September rebels. This is because this matter is still a painful sore for one of the power factions. If the prosecution of the 9 September matter is allowed to proceed, there is a great chance that this sore will be reopened.

An agreement was reached on both these things. As for the second point, the other power faction has its own sore from the 9 September rebellion even if this sore developed from this faction's intention to implement a "plan within a plan." However, the amnesty problem is a problem that will take a long time to solve. It can't be solved immediately.

The Way to Amnesty, Watch the Thai Nation Party

The senior news source who revealed this said that those at the conference discussed the steps that must be taken in granting amnesty. It was proposed that the government allow the opposition, that is, the Thai Nation Party, to call a special session of parliament. But the main reason for holding this special session of parliament will be to submit an Amnesty Act to parliament. Those at the secret meeting felt that it would be possible to get the Thai Nation Party to agree not to attack the government after convening parliament. Because convening a special session of parliament would earn the opposition party enough credit already.

However, the details of the negotiations are not clear. If a special session of parliament is held, it is not known who, or which party, will serve as the "front man" to propose this act. But it can be assumed that it will be some faction of the Thai Nation Party. In particular, a political group that is like a "party within a party" and that is rather close to certain "lieutenant generals" will probably be the spearhead in this. But the question is whether the other political parties will allow this act to be passed. Several of the large political parties have clearly taken a very tough position on this rebellion.

The Eagle Rejects the Proposal: You Can Kill People But You Can't Step on Them

There is another movement on the amnesty issue as well. It has been stipulated that amnesty will be granted immediately if some of those who were directly involved in this submit an appeal. Gen Kriangsak Chamanan has been named as one of those who must submit an appeal.

A lady with great influence in social circles contacted the Eagle of Bangkhen [Gen Kriangsak Chamanan] though Lady Wirat Chamanan. But when this proposal reached him, Gen Kriangsak rejected the proposal angrily because of his great confidence in the prestige of being a former prime minister. His attitude is that you can kill people but you can't step on them. Because forcing the once bold Eagle to make this appeal would be tantamount to forcing him to beg on his knees.

Following that, however, there was movement from the Eagle's side. Lady Wirat sent a secret letter to important people at embassies on Withayu Road who had once been very close to Gen Kriangsak. In the letter, she asked them to help gain amnesty for her husband.

Parliament Might Be Blocked, Pressure Must Be Exerted on the Government

News sources in the Government House and in the political parties in the government coalition have all said that it will be very difficult to get parliament to grant amnesty. Besides the fact that this would conflict with the standpoint of the political parties, because of the very tarnished image of the rebels, no political party would dare risk its reputation by calling for amnesty.

Thus, the only possibility left is for the government to propose this. The problem with this is that the government will have to discuss this with the parties in the coalition government. Because it was these parties that played a role in crushing the rebellion during the initial period. But in the end, it will probably be up to Gen Prem to make the decision. We will have to watch and see how much pressure is applied to the prime minister. It is thought that the prime minister had to know about and approve of the secret negotiations at Suan Runrudi. And because the results of the negotiations turned out the way they did, this will definitely affect the attitude of the prime minister.

Beware! Amnesty Mobs

Government intelligence units are keeping a close watch on the movement to use mobs to pressure officials to grant amnesty. Certain hotels in the Saphan Khwai area are being used as meeting places by several groups of activists. Looking at the files on these activists, it is clear that almost all of the mass groups with which these activists have close relations are groups that can be used to form mobs. They can begin with the problems within these groups before inciting them to take action on the amnesty issue.

At the State Railway of Thailand, an effort is being made to use the decision of the arbitrator, which is still pending, to stir a mob into action. The problems within the Express Transportation Organization of Thailand (ETOT) are smoldering. There is the conflict between Mr Prachum Rattanaphian, the deputy minister of communications, and the ETOT union over the issue of raising salary levels. It has been learned that efforts are being made to stir the mob into action on the amnesty issue.

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PREM'S SECURITY UNIT, PERSONNEL EXAMINED IN REPORT

Bangkok SIAM RAT SAPDA WICHAN in Thai 17 Nov 85 pp 7, 8

[Unattributed Report: "Prime Minister Prem's Security Unit, a Real Security Unit?"]

[Text] Who would have thought that a Thai leader such as Gen Prem Tinsulanon would have been attacked amidst a crowd of people? But that is what happened. And it happened at a time when he was being protected by serious-faced members of the Security Unit.

Before he became prime minister, Gen Prem served as minister of interior, assistant RTA CINC and RTA CINC. He became prime minister in 1980, replacing Gen Kriangsak Chamanan. He has held this position for a long time and has encountered many situations.

Since the disorder of 1-3 April 1981, Gen Prem has experienced many problems, including several assassination attempts. Someone threw a grenade into his Sisaothewet residence, and a bomb was planted at the Ministry of Defense. And what is much more serious, someone tried to shoot him while he was traveling in Lopburi Province. But Gen Prem escaped unharmed in all three cases.

Officials feel certain that the attempted assassination in Lopburi Province was the work of a group of soldiers who had lost power. The police conducted an investigation and surrounded a house in the Phra Khonong area of Bangkok. This resulted in a major, who was supposedly behind this, commiting suicide. In the wake of this "April Hawaii" case, the Tani Unit was established to investigate this and other security cases. The police and the military were to coordinate things.

The people who played an important role in investigating the assassination attempt against Gen Prem included Police Maj Gen Bunchu Wangkanon, the present commander of the Suppression Division (at that time, he was a police colonel), and Maj Gen Phuchong Nilakham, the commander of the Artillery Division (at that time, he was a colonel and was serving as the deputy commander of the AAA Division). At the same time, the Security Unit was transferred from the cavalry to the infantry, that is, to the 21st Queen's Guard Infantry Regiment (the Queen's Tigers Unit) in Lopburi Province. This change was made because the cavalry played an important role in the 1-3 April Rebellion and was an important base of Col Manun Rupkhachon, another of "Prem's men."

Today, Prem's Security Unit is composed of soldiers from the 21st Queen's Guard Infantry Regiment, policemen from the Suppression Division and soldiers from the National Security Center. But the main elements of the unit are the soldiers from the 21st Regiment. The unit is the size of a reinforced platoon, or undersized company. It is commanded by Maj Bunsup Khocharat. Members of the unit stay at Sisaothewet.

A reinforced platoon refers to an oversized platoon of approximately 50-70 men. An undersized company refers to a unit that is not of company strength, that is, two or more platoons.

At present, Maj Bunsup Khocharat is attending the Army Command and General Staff College and so command of Gen Prem's Security Unit has fallen to Maj Mongkhon Phaophongkhlai, or "Tia," another officer from the 21st Queen's Guard Infantry Regiment. The entire unit is directly subordinate to Maj Gen Mongkhon Amphonphisit, an aide to Gen Prem.

Besides the Security Unit from the 21st Queen's Guard Infantry Regiment, there are several other military and police officers who serve as aides to Gen Prem. These include Maj Gen Kasem Naphasawat, an aide to the minister of defense. Maj Gen Kasem Naphasawat was transferred from the Chulachomklao Royal Military Academy. He replaced Maj Gen Chao Khongphulasin, who was assigned to the Office of the Under Secretary of Defense. Other aides include Col Ut Buangbon and Lt Col Phairot Phanitsamai. Occasionally, Col Pricha Rotchanasen, or Laem, the deputy chief of staff of the 1st Army Area, serves as a bodyguard to Gen Prem.

Police officers who regularly accompany Gen Prem include Police Cpt Kittibodi Prawit, the son of Police Maj Gen M.R.W. Chetchan Prawit, and Police Cpt Chachonsak Kriangsakphichit. Both of these men are very slender and do not look at all like bodyguards.

However, the problem with Gen Prem's Security Unit is that is seems to lack unity. Even though this is a large unit the size of a reinforced platoon, there are internal splits. Recently, the conflict reached such proportions that leaflets attacking Maj Bunsup Khocharat were distributed. The leaflets charged that he had kept the soldiers' allowances for himself. Also the signature of Gen Athit Kamlangek, the supreme commander and RTA CINC, was forged in order to have Maj Bunsup Khocharat transferred. But Gen Prem resolved the matter, and no changes were made.

This conflict has resulted in the soldiers who guard Gen Prem dividing into different factions. One faction is composed of Maj Gen Mongkhon Amphonphisit, Maj Bunsup Khocharat and Maj Mongkhon Phaophongkhlai. The other faction is composed of Lt Col Phairot Phanitsamai, Police Cpt Kitinodi Prawit and Police Cpt Khachonsak Kriangsakphichit. The question is whether this conflict will adversely affect the protection provided Gen Prem. Because no matter how large the security force, if there is a lack of unity, security will be lax. It's true that all the men protecting Gen Prem, particuarly those from the 21st Queen's Guard Infantry Regiment, have excellect records and have probably had much battlefield experience. But observational skills are the main qualitities needed by security soldiers.

"I don't think we should criticize anyone. This should be a lesson. This is something about which we should be very careful. Our society is changing into a society like that of the United States," said an officer to SAPDA WICHAN. This is a point well worth thinking about. Also, the statement by Mr Khwanchai Worasut, the boxer of the year, who said that "I fight with all my heart even if I hurt my hand," should be kept in mind. Because if evil people use weapons, Gen Prem will be in great danger.

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ADVOCACY GROUP SEES ABUSES IN ANTI-COMMUNIST LAW

Bangkok MATICHON in Thai 9 Oct 85 p 5

[Article by the Legal Support Section, People's Rights and Freedoms Association: "Anti-Communist Law Used to Suppress Bandits, Another Level of Violence"]

[Excerpts] An interesting measure that officials in the south are using to suppress crime is the 1942 Anti-Communist Act. When he was the deputy commanding general of the 4th Army Area, Maj Gen Panya Singsakda said that "terrorism has changed. In the past, terrorist activities were carried out in order to make political gains. But now there is a misture of terrorism and banditry. The terrorists have begun acting like bandits. This problem was discussed at the 15 July joint police-military meeting at the 1st Headquarters in Nakhon Sithammarat Province. We discussed whether it was necessary to use both the criminal laws and the Anti-Communist Act" (MATICHON, 21 July 1985).

In addition to this statement, the People's Rights and Freedoms Association has received appeals from the relatives of several suspects. When the association sent officials to investigate, it was learned that in July 1985, in Phatthalung Province alone, at least four people were prosecuted on ordinary criminal charges using the Anti-Communist Act. Some of the suspects, such as Mr Prakhong Rotnu, are people who surrendered to officials in order to participate in national development. Some surrendered as long ago as 1981. They have taken seminars as part of the Karunyathep Program. When they were arrested, they were engaged in ordinary occupations just like other people. Thus, it is clear that the government is now using the anti-communist law to suppress crime.

Using the Anti-Communist Act is a double-edged sword. There is great fear that besides being ineffective in solving the problems, the use of this act will just serve to exacerbate the crime problem and lead to an increase in CPT [Communist Party of Thailand] activity in the south. This law is an unjust law. Many provisions of this law are contrary to legal principles. Also, this law gives broad powers to officials. Officials can make use of the loopholes in this law to gain illegal influence once again.

Based on this policy, police officials in the south can arrest anyone they want by charging them with engaging in communist activities. They can shoot suspects and not have to perform an autopsy as required by the the Criminal Code. All that they have to do is report that the dead person was a communist. They can imprison people for months in order to extract a confession from them just by charging that they are communists. Besides this, people prosecuted on communist charges based on either the Anti-Communist Act or other criminal laws are tried in a military court. Those who are defendants in a communist case do not have the right to file an appeal.

Because of these broad powers granted officials, some officials will undoubtedly use their power illegally and cause trouble for people. As we learned in the past, the use of this law caused many people to support the CPT, and the CPT grew very strong.

While some of the former supporters of the CPT have become bandits and influential people who cause trouble for the people, the criminal laws and Criminal Code, which are just laws, give officials ample power to suppress these criminals. These laws also protect the rights and freedoms of the innocent people. It isn't necessary to use the Anti-Communist Act. This violates people's human rights. Besides this, the government should use Policy 66/1980 to deal with those who still side with the CPT. This has proven to be a very effective measure.

Based on these facts, there is no reason why the government has to use the Anti-Communist Act to suppress either the bandits or the members of the CPT. If people stubbornly insist on using this unjust law, not only will it be impossible to solve either the crime problem or the CPT problem, but this will make the situation in the south even worse.

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THAILAND

OFFICIALS REACT TO USSR TRADE, FRIENDSHIP MOVES

Bangkok CHAT ATHIPATAI in Thai 2-8 Nov 85 pp 30-32

[Unattributed report: "The Eight Rules, From the Kremlin to Bangkok, Offensive Against China and Central America and the Thai Textile Crisis"]

[Excerpt] The Thai textile and ready-made clothing industries have been hit hard by the Jenkins Bill and the embargo. This has had an adverse effect on trade relations between Thailand and its old ally the United States, and the Soviet Union has immediately stepped into the gap that has been created.

The 7-man delegation of Mr Akil Umurzakovich Salimov, the vice president of the Supreme Soviet Presidium, arrived in Thailand on 21 October for a 7-day visit as guests of parliament. The delegation led by this senior Soviet leader visited the Thai Arrow Factory, a large ready-made clothing factory in Rangsit, in order to express its concern about the problems confronting the clothing industry during the present crisis. It also suggested expanding official trade relations by establishing a chamber of commerce or by cooperating on other fronts by establishing a friendship association. The timing of this Soviet offensive has received much attention because Thailand is now trying to decide how to respond to the unfriendly attitude taken by the United States toward Thailand.

"If the United States Does Not Buy the Goods, the Soviet Union will"

"I don't know if it's true or not. They said that if the United States does not purchase the goods, the Soviet Union will purchase the entire lot," said Mr Ukarut Mongkhonnawin, the president of parliament, in his capacity as the "host" when asked about the attitude of the Soviet delegation, which expressed its views on the terrible situation confronting Thai textile producers the day that it arrived here.

In addition to textiles and ready-made clothing, the Soviet delegation also expressed an interest in purchasing athletic shoes from Thailand.

At the same time, Mr Yori P Mikhailov, the Soviet trade attache to Thailand, was interviewed by THAN SETTHAKIT about the possibility of increasing the value of trade between Thailand and the Soviet Union. Last year, Thailand exported 80 million baht worth of goods to the Soviet Union. During the first half of this year, it sold the Soviet Union goods valued at 47 million baht.

The Soviet trade attache to Thailand said that the Soviet Union does not impose import taxes or erect import barriers on goods from developing countries. He said that Thai-Soviet trade amounts to less than 1 percent of Thailand's foreign trade. Thus, there is much room for expanding trade between the two countries. The Soviet Union is ready to sign an economic agreement with Thailand in the form of establishing a chamber of commerce. It is also prepared to sign a joint industrial development agreement to build factories to produce industrial goods. This includes joint investments in fishing activities. It has invested in such activities with Singapore with good results.

Mr Mikhailov invited the Thai sector in Thailand to participate in expanding trade between Thailand and the Soviet Union. As an example, he cited the success of the Metro group (Sikrung) with casasava pellets, tapioca and shirts. As for ready-made clothing, the second purchase agreement has been signed with the Metro group. He urged Thai businessmen to show off their new products by participating in the internatinal trade fair held in Moscow each year. At the same time, sales representatives are needed for many Soviet goods suited to Thai markets.

From a Chamber of Commerce to a Friendship Association

The proposal by the representatives of the Supreme Soviet Presidium to establish a chamber of commerce and a Thai-Soviet friendship association, a proposal that is now being hotly debated here, was immediately opposed by Squadron Leader Prasong Sunsiri, the secretary-general of the National Security Council.

But at the same time, many MPs have expressed support for this. Mr Uthai Phimchaichon, the speaker of the House, has pointed out that this would be good from the standpoint of friendly relations because at present, the two countries already exchange goods with each other. Such an association could be established in order to facilitate private-sector contact just like the the Thai-Chinese Friendship Association. He said that he has discussed this with Mr Ukarut, the president of parliament, and that he, too, supports this.

Mr Prathuang Wichanpricha, and MP and the spokesman for the Thai Nation Party, expressed support for this, stressing the unfriendly attitude of the United States. Thus, he feels that we should quickly discuss the Soviet Union's proposal to purchase Thai textiles and ready-made clothing. He criticized the NSC secretary-general's objections to establishing a Thai-Soviet chamber of commerce. He said that our border policy, which stresses security, has lead to economic losses and that this policy is wrong. Other ASEAN countries such as Malaysia, Indonesia and Singapore have been trading with Indochina for a long time.

Mr Bunlak Bunrattanakonkit, the president of the Leather Industry Association, Thai Industrial Association, said that the proposal by the Soviet delegation is an important matter. He will bring this matter up at a meeting of the association in order to submit the proposal to the Joint Public-Private Committee to Solve the Economic Problems. He said that the "private sector is very interested in this. But we don't know if the government is interested."

Mrs Achari Homsetthi, a member of the Thai Garment Industry Association, which has been greatly affected by the U.S. embargo, said that exporters are prepared to do business with all countries if this does not conflict with government policy. As for the textile trade, in which the Soviet Union has expressed an interest, to engage in such trade, the government must be the middleman and really support this.

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EDITORIAL WANTS POLITICS SUBORDINATED TO TRADE WITH USSR

Bangkok THAI RAT in Thai 31 Oct 85 p 3

[Editorial: "Political and Trade Policies"]

[Excerpts] The U.S. House of Representatives has voted overwhelmingly in favor of a bill to cut imports of textiles and ready-made clothing, particularly from Asian countries. This has caused a great reaction in many countries, including Thailand, which will be seriously affected if this bill is passed into law.

Because this bill has received such overwhelming support in the U.S. Congress, many Thais have begun to wonder whether the United States really is a great friend. They wonder why the United States is treating Thailand this way. Thailand has supported the United States on many issues and has a huge trade deficit with the United States.

Amidst this uncertainly about the sincerity of a country that has been considered to be a great ally, some people want us to take retaliatory measures by reducing imports from the United States and cooperating with other countries that have been affected by this protectionist trade policy. They also want the Thai government to find other textile markets to replace the U.S. markets that have been lost.

The latest appeal made by the Employees Council of the Labor Council of Thailand, which arranged for workers from textile factories directly affected by the U.S. trade protectionist policy to submit the appeal to the prime minister, calls on the government to take urgent action to find new markets and make preparations to help the tens of thousands of textile workers who will lose their jobs.

The government should study this appeal carefully because it is quite clear that trade protectionism is now spreading throughout the world. Many countries will have to fight for their economic survival just like the U.S. Congress is doing by drafting these protectionist laws.

Amidst this struggle to protect interests and survive, Thailand, which is in the same position as many other countries, should study and review its foreign trade policy. Politics must be subordinated to the nation's interests. This is the policy that is in line with the real situation in the world today.

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USSR EMBASSY THAI EMPLOYEE DISCUSSES STUDENT ISSUE

Bangkok WIWAT in Thai 4-10 Nov 85 pp 22, 23

[Interview with USSR Embassy Thai employee; date and place not specified]

> [Text] On 21 October, the Thai Ministry of Foreign Affairs asked Mr Valentin Kasatkin, the Soviet ambassador to Thailand, to meet with the director-general of the Political Department in order to have him explain why the Soviet Union has been giving scholarships to Thai students directly without going through the Department of Foreign Cooperation as called for by Thai regulations. At that meeting, Mr Valentin Kasatkin turned over a list of the names of 73 Thai students given scholarships this year. ATHIT WIWAT has learned that this news has generated much comment from the Soviet embassy in Bangkok. For this reason, ATHIT WIWAT talked with a USSR embassy Thai employee and asked him for details about this. This will provide readers with additional information about this.

[Question] Would you tell us about the methods used to grant Soviet scholarships to students?

[Answer] Anyone can apply for a scholarship. The only stipulation is that the person must be qualified to study at the university level and must not have been out of school for more than 3 years. There are no restrictions as to field of study. But the person must be qualified. After the applications have been submitted, selections are made based on qualifications, age and certificates. They have their own standards for making selections, but I don't know what they are. They have their own regulations. Students are allowed to choose their own course of study. There are about 150 subjects from which they can choose depending on their interests. After applications have been selected, they are sent to the Soviet Union for final selection. After a decision has been made, the applicants are notified and then sent to the Soviet Union. In the Soviet Union, they are given an allowance. They are provided with a place to stay and other things free of charge. They pay their travel expenses, too.

[Question] There have been reports that the Soviet Union has secretly given scholarships to 73 students from the northeast. What are the facts about this?

[Answer] This is very funny. Some people have hoped to gain votes by volunteering to help people fill in the applications. Others have tried to make some money from this. From what I have observed, most of the applicants come from the central region. This year, school started in September and so there were many applicants. Normally, only 50 students are selected. A larger number were selected this year because there were so many applicants. Actually, the Soviet Union has submited a letter to us each year. But we have just filed them away. And so in 1982 they took things into their own hands and did not go through the Department of Foreign Cooperation, which we have called a violation of regulations. The first year, very few people applied. This was because few people knew about this. Actually, they should reveal the subdistricts and addresses of the students. Not all of them come from the northeast.

[Question] How long are students permitted to stay there while in school and after graduating?

[Answer] The are permitted to stay until they complete their bachelors' degree. After they graduate, they must return home within 15 days. This is different from England and the United States, which do not stipulate when students must leave the country. But students can stay on and study for a Masters' degree. Before they are allowed to begin their studies, students must study the Russian language for 1 year so that they can understand the lectures and write and speak Russian.

[Question] Why is the Soviet Union giving so many scholarships?

[Answer] They want to help the developing countries. They are not giving scholarships just to Thai students. They give scholarships to students from other countries, too. There are over 100,000 foreign students in the Soviet Union. It's true that they hope to benefit indirectly from this. But that is true of all countries, such as Germany and Japan, that give scholarships. They all hope to win friends and improve their reputation. But because the Soviet Union happens to be our ideological enemy, the National Security Council has made a big issue of this. The 22 October issue of the BANGKOK POST ran a headline story on this. This seems to have been done on purpose because a Soviet delegation just happened to be visiting Thailand at that time. I think that we must take a firm position. This has been going on for several years now. But it has just become an issue.

[Question] What is your personal view about this matter?

[Answer] I think that our government....Those responsibile for our foreign policy have not clarified things. The policies that have been implemented are not in accord with our national interests. No one knows what they are doing. It's like a twilight zone. Things are done without the knowledge of the Thai people. When Prime Minister Prem went abroad, nothing was said about the purpose of his trip. This seems like a secret unit whose activities are not concerned with the people.

[Question] Several weekly newspapers have published interviews with two Thai students in the Soviet Union. They students praised the Soviet Union. Some have said that this is just Soviet propaganda because neither student mentioned freedoms or difficulties. What is your view on this?

[Answer] Not all those who return from the Soviet Union are communists. In the next 3-4 years, Thailand will need many of these people. I think that we should support this. Those who study there receive a good education. They study a wide variety of subjects, including engineering. After they return to Thailand, they can help develop the country. We will have qualified people. Sometimes, poor people would like to study, but they don't have a chance to attend school in Thailand. This may give then a chance to gain an education. As for the fear that they will all become communists, the events of 14 October and 6 October occurred even though no one had been sent to study there. I don't think that there is much connection between these things. It's up to the individual student. But the National Security Council is making a big issue of this.

[Question] Is it true that life there is difficult? The two students who were interviewed said that life there was so enjoyable that they didn't want to return home. Are things really that enjoyable there?

[Answer] Conditions there are difficult. It is very cold. But people don't go hungry, and they have a place to stay. They are given an allowance. After several years there, people get used to things and enjoy themselves. During the term breaks, they let the students join construction teams. They lack workers. Some pick fruit. They are paid a wage. These joint activities are a lot of fun. They have bonfires. They can pick some fruit to eat whenever they want. The students have great fun.

[Question] How do you think this will turn out? Will the National Security Council allow this?

[Answer] I don't know. You should go and ask Mr Prasong Sunsiri what he intends to do. I, too, would like to know.

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CRMA CLASS 8 SPECIAL COLONEL PROFILED

Bangkok CHAT ATHIPATAI in Thai 16-22 Nov 85 p 11

[Focus on the Military column: "Another Hope of CRMA Class 8: Special Col Banthit Malai-arisun, the Deputy Commander of the 1st King's Guard Division"]

[Text] Special Col Banthit is the only son of a major. He is from Nonthaburi Province. He was born on 5 May 1938. He attended primary school at the Darunalai School in Nonthaburi. He attended high school at the Wat Khamaophirataram School.

As for his decision to follow in the footsteps of his father and become a soldier, Special Col Banthit said that "I made this decision because my father was a soldier. I grew up in a military environment. Everything I saw had to do with the military. For this reason, I decided to become a soldier even though my father told me that I would never make much money as a soldier. But I never worried about that. That was not an obstacle to my becoming a soldier because I really wanted to serve in the military."

With this intention, after he completed secondary school at Wat Khamaophirataram, he took the entrance examination to attend the Army Preparatory Academy, Class 15, or Chulachomklao Royal Military Academy Class 8. Well-known classmates include Maj Gen Kamon Udomsin, secretary, Supreme Command Headquarters; Maj Gen Naritdon Detchapradiyut, the secretary of the army; Maj Gen Yutthasak Sasiprapha, the chief of staff of the Territorial Defense Department; Maj Gen Wattana Sanphanit, the commander of the 1st Special Forces Division; Maj Gen Kitti Rattanachaya, the commander of the 5th Division; Police Maj Gen Sawat Omrawiwat; Police Maj Gen Chumphon Atthasat; and Police Maj Gen Sanong Wattanaworangkun.

Many other classmates are colonels. These include Col Wattana Bunyasit, the commander of the 31st King's Guard Infantry Regiment; Col Amphon Sawetserani, the commander of the 11th King's Guard Infantry Regiment; and Col Phet Wattanaphut, the chief of staff of CRMA.

After graduating from CRMA on 25 January 1961, he was made the leader of a small arms platoon with the 6th Regimental Combat Team, 2d Infantry Battalion, in Ubon Ratchathani Province. In 1963 he was made the commander of a special operations team with the 1st Special Forces Division, Pa Wai Paratroopers, Lopburi Province. In 1964 he took the special forces and paratroop course at Fort Bragg, North Carolina. In 1965 he resigned his commission to fight in the undeclared war in Laos. He fought there for 4 years. He said that they had to engage in hand-to-hand combat until the base fell. He was shot and suffered a broken leg in the bloody fighting there. In 1970 he attended the Army Command and General Staff College as a member of Class 48. In 1971 he served as deputy commander of a Thai company in Korea. In 1973 he was made the assistant chief of operations with the 1st King's Guard Division. In 1976 he was made the commander of the 3d Battalion, 1st King's Guard Mahatlek Infantry Regiment. In 1980 he became the commander of the 1st Battalion, 1st King's Guard Mahatlek Infantry Regiment. In 1983 he was made the commander of the 1st King's Guard Mahatlek Infantry Regiment. On 1 October 1985, he became the deputy commander of the 1st King's Guard Infantry Division.

Special Col Banthit said that was he is most proud of is having been awarded the Chulachomklao Wiset Medal 3d Class from the king himself on 5 May 1984.

Special Col Banthit is a young officer from CRMA Class 8 who is liked by all his superior officers. They all have great confidence in his skills. He is another officer from CRMA Class 8 who is thought to have a bright future. It is thought that he will be appointed commander of the 1st King's Guard Infantry Regiment even though no previous deputy commander of this division has ever been appointed divisional commander. But when talking with people, he will say something to the effect that "advancing this far is good enough for me." He is married to Panthip. They have two lovely daughters.

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WESTERN SAMOA GOVERNMENT FACES 'CRISIS' AFTER PARLIAMENTARY LOSS

HK180858 Hong Kong AFP in English 0835 GMT 18 Dec 85

[Text] Apia, 17 Dec (AFP)--The future of Western Samoan Prime Minister Tofilau Eti Alesana was in doubt today after his minority government was defeated on a budget vote in the Fono (Parliament).

The opposition coalition headed by a former prime minister, Pubuola Efi, defeated the government by 27 votes to 19 on six budget bills.

Under the Western Samoan Constitution a change of government is not automatic after a parliamentary defeat.

However Mr Tofilau told parliament that he would advise Head of State Malietoa Tanu-ma-fili to hold new elections in this South Pacific island nation, home of about 156,000 people.

Analysts here said the [word indistinct] of state could decide instead to ask the opposition to form a new government.

Parliament was adjourned while attempts were made to resolve the crisis.

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CGDK TROOPS SELL WEAPONS; LARGE VOLUME, THAI LINKS SEEN

Bangkok CHAT ATHIPATAI in Thai 2-8 Nov 85 pp 24, 25

[Unattributed report: "Illegal Weaspons in Kantharom, Privileged Middlemen"]

[Text] At 0300 hours on 18 October 1985, police officials stationed at the provincial police station in Kantharom Subdistrict, Khun Han District, Sisaket Province, were informed that a large number of weapons and a large quantity of ammunition had been hiden in the Lamo jungle southwest of Ban Tanuan.

The police officials rushed there and found two weapons smugglers in the area. During the arrest, one of the men managed to escape. The police arrested Mr Fuai Somrat, a villager from Ban Tanuan, and seized 5 AK rifles, 123 rounds of AK ammunition, 1 RPG, 55 RPG rounds, 50 explosive devices, 51 bars of gunpowder and 180 fuses.

During the interrogation of Mr Fuai, it was learned that Mr Fuai and his accomplice had purchased the weapons from CGDK soldiers. They intended to sell them to merchants from Bangkok, who in turn planned to sell them to Karen troops along the Thai-Burmese border.

In the Past, Kantharom Was a Wild Place

"In the past, the subdistrict was filled with communists. The police station was burned down because the police arrested villagers who felled trees in the jungle. It was after Phnom Penh fell that the villagers returned from the jungle. But we have constantly monitored their activities."

A non-commissioned officer stationed at the provincial police station in Kantharalak District discussed the events of 5-6 years ago when he was stationed at the provincial police station in Kantharom Subdistrict, which is located on the Thai-Cambodian border. Most of the villagers here make their living from the forest in the Phanom Dong Lek area. The Cambodians and Suoi like to cut and sell timber. One time, the police arrested some villagers. This minor matter grew into a major issue when the villagers vented their anger over this by burning the Kantharom police station. This resulted in the police taking resolute measures against the villagers. Kantharom was deserted for a period because many of the villagers took up arms and joined the Communist Party of Thailand in the lower northeast.

"The villagers here are familiar with the Khmer Rouge. When they lived in the jungle, they stayed with the Khmer Rouge. The Khmer Rouge won't sell weapons to anyone unless they come from here. Some villagers whom I know told me that the weapons seized this time were actually only a tiny fraction of those purchased. Merchants have already transported the rest out of the area using caravans of carts," said the same police official.

A young teacher said that the people in this area are very poor. The economy in Sisaket has been bad for a long time. The Cambodians are experiencing problems, too. Both sides need money. He doesn't know if the seizure of these weapons resulted from a betrayal or not. If so, villagers have become the "scapegoat" once again. The Khmer Rouge may have become apprehensive because there have been rumors that people in uniform have transported the weaspons without paying for them.

"I don't want to take a negative view. I don't think that this arrest was similar to the arrest of villagers several years ago on charges of felling trees. If there is trouble in Kantharom again, this will be bad for both sides," said the young teacher.

From the Eastern Front to the Western Front

A news source said that the program on Color Television Channel 7 during which the provincial governor and police officers gave a report on the "new weapons haul" so angered a senior military officer in the region that he "cursed" the police and ordered aides to go and solve the technical problem as quickly as possible.

A reliable news source has confirmed that certain Khmer Rouge elements have had to get rid of their old weapons in order to receive new weapons from the United States. Besides the weapons, they also want to dispose of some old uniforms (for this reason, dressing like Cambodian soldiers has become the fashion among youths in Sisaket). They are doing all of this in order to build up the national united army of the Khmer coalition. In particular, the Khmer Rouge wants to show how committed they are to cooperating with the others in the struggle against Vietnam.

Because of the Karen army's great need for war materials, the Thai-Cambodian border area in Khun Han District, Sisaket Province, has become an area where weapons and ammunition are traded. In the past, the weapons dealers went to Aranyaprathet, Ta Phraya and Mekong River border areas. Many arrests were made in those places. But in some cases, these arrests were part of the plan of clever merchants who wanted to grab the money. But this hurt the Karens greatly. They grew to distrust merchants in general and refused to make payments in advance.

"They no longer bring large sums of money here. They have been tricked too many times. They are afraid. Now...they do things in a group. There must be definite guarantees that no arrests will be made on the way. They also turn the money over to a middleman. The merchants have to find sellers. They make purchases and then sell to the middlemen. After that, the middlemen are responsible for handling things." said an Internal Security Operations Command intelligence agent about the weapons smuggling method used by the "privileged" middlemen to smuggle weapons from the Thai-Cambodian border to the Thai-Burmese border. He added that "here, one round of AK ammunition costs 1.5 baht. But it costs 6 baht there. The price is five or six times higher. But would you take the risk?" From what he said, it was learned that when these special goods reach the final destination, they can be sold at a price five or six times above the purchase price.

"I am worried that this will be more than just a technical problem between the military and the police. It may be a matter of taking the blame for the middlemen. If they claim that the goods were seized before they received them, they can get the goods for free. Who could say anything? The merchants and villagers can't say anything. Those who were arrested were just very unlucky," said the intelligence agent.

Regardless of whether it's a matter of the "privileged middlemen" citing secret duties and then having technical problems with the local police officials or a matter of a conflict between the military and the police, with the villagers serving as the "scapegoat," it is the villagers who suffer and who are charged with having violated the law. Because the villagers do not have the right to say anything.

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PEOPLE'S REPUBLIC OF KAMPUCHEA

STUNG TRENG SECURITY CONDITIONS, LAO ASSISTANCE NOTED

Hanoi NHAN DAN in Vietnamese 14 Oct 85 pp 3, 4

[Article by Dang Van Hung: "In the Northwestern Area of Kampuchea"]

[Text] On a section of the road 12 kilometers from Stung Treng City, I met some groups of people traveling in the opposite direction. There were young male and female youths about 18 to 30 years old with weapons, striped neck scarves, ammunition, hand grenades, packs and hoops of unulating camouflage leaves, loudly talking and laughing. Many of the young people, dark complected under visored caps, raised their weapons and hands to happily greet us.

Chia Lieng, Vice Chairman of the Stung Treng District Revolutionary Committee, saw me attentively staring at the military groups, tapped me lightly on the shoulder, and said, "You know, don't you, that like next door in Vietnam, now in Kampuchea is the military training season for the militia and self-defense forces. The military groups passing there are the mobile militia of various villages. They make practice marches in all kinds of difficult terrain while carrying heavy loads in order to improve their health and endurance. They have many tasks, now preparing themselves to enter the regular armed forces, now standing combat watches and now entering the woods to make appeals to hiding remnants of the Pol Pot army to return and rebuild their families and homes. However, within these military groups are also forces advancing to the front. They have a mission of traveling to the tri-border area to relieve forces preceding them in the K85 mission."

My vehicle reached an area of Kham Pun Village. A red very smooth road about 4 meters wide leading from the paved road into the village appeared before me. The vehicle ran easily. Before my eyes were plots of bright golden rice with heavy heads extending into the distance to the foot of Lai Mountain. Working in the dry subsidiary food crop fields, the people were gathered like a country fair, clothing and kerchiefs and sarongs of shiny red, dark gold and Hue purple woven and intermixed like a field of flowers.

"This year we have a bumper crop here, Mr. Reporter!" The driver turned his handsome face toward me and said, "It is so. Six years ago when the Pol Pot gang was still here, we nearly died. Afterwards, thanks to Vietnam, it is as if we have been reborn. Thanks to the Vietnamese specialists and to the Vietnamese people's provision of seed paddy and instructions in methods of sowing, scattering and fertilizing the rice, we were able to raise 2,000 hectares of rice by the beginning of 1979, and 3,670 hectares by the beginning of 1985. This increase in area was due to our study of Vietnamese methods and the restoration of uncultivated fields, meters of depleted land, area additions, etc.

During 1984, we sold the state 550 tons of paddy, exceeding the assigned levels by 78 tons. This year, that overage will reach 150 tons, not counting subsidiary food crops."

I asked, "How is the life of our people in the villages at the present time?"

"Their lives, huh? I can answer the reporter immediately and, if possible, you should publish this in your newspaper. Our country has been entirely liberated, the revolutionary armed forces have attacked and occupied 16 bases of the Pol Pot remnant forces and they have been forced to flee into Thailand. Nevertheless, they continue to counterattack us in many aspects exactly like the Chinese expansionists are destroying your country, my country and the country of our Lao friends. Therefore, the liberation is genuine but so is maintenance of the land. Now, besides the TK85 forces, we also have armed forces fighting shoulder to shoulder with the volunteer soldiers of Vietnam on the border. Besides helping nearby Lao villages that are encountering difficulty, we are mobilizing the people in the district to double their contributions to the soldiers on the border. Rice, cloth, meat, tobacco, medicines, guitars, flutes, pens and paper for writing letters, etc; everything has been doubled over that sent in 1984, but in villages 1, 2, Kham Pun, Phu Luc, Xam Khuoi, Charomia, etc., the people still have enough to eat."

The district vice chairman's vehicle stopped next to the brick fence of the village people's committee meeting hall. The building was constructed on the foundation of one previously used by the Pol Pot gang to execute the people of Kampuchea. The village people's committee chairman explained, "Such construction was necessary so that each meeting here would be an occasion for remembering, reviewing and relating the serious crimes of the genocidal gang, the expansionist followers, imperialist pirates, etc., and also was a reason for engraving their crimes in our memory."

I requested permission to visit the soldiers of the militia and self-defense forces engaged in military training. It was 1000 in the morning, the sun was casting shadows, and the dry season in Kampuchea is truly difficult to describe. The sunshine was fierce, there was no wind and we found it stifling and difficult to breathe like a weight on the chest. In a pasture scattered with rocks and gravel, 12 training areas of the militia forces were located at a distance from each other. At the machine gun marksmanship range, the practice hand grenade range, hand-to-hand combat field, etc., I noted that their uniforms were soaked with sweat.

During their rest period of only 10 minutes, I took 5 minutes to talk with and ask them questions. Hardly any of them understood Vietnamese and I had to use an interpreter, "Isn't such training too difficult?"

"We are very tired but we have not yet meet the requirements."

"Why haven't you met the requirements?"

"This is only theory and it is a long way from theory to practice."

I followed the district vice chairman to each gun crew and training detachment. He confided to me, "Six years of construction are truly short but the Kampuchean revolution has clearly matured. Not only in this district and province but even in Preah Vihear, Mondolkiri, etc., it is the same. In the villages, 16 security teams have been established. These teams have many jobs: appealing to Pol Pot remnant forces to return to their villages, mobilizing the people to comply with regulations on counterespionage and secrecy preservation, mounting patrols to protect villages, etc. Each production team forms a militia squad with three security soldiers and one front soldier. Like Phan Pun Village here for example: the village has hundreds of militiamen and dozens of guerrillas, security soldiers and front soldiers."

Concerning the role of the people's security teams, the chairman of Kham Pun village added, "Their role is multifaceted: protecting production and preserving security and order, and they are the force stimulating production. My village has been able to construct a people's committee meeting hall, a nursery and even a school, kindergarten and maternity hospital."

Chia Lieng continued, "This force, if well developed, will have even greater effectiveness. The villages of Kham Pun, Phu Luc, Xam Khuoi and Charomia in 1979 were extremely weak but are now four of the eight strongest in the district in many aspects. The villages of Charomia and Xam Khuoi have developed all three militia-security, youth, and women's forces to travel together into the forest to appeal to the Pol Pot remnant forces, and during the period of only 1 month, dozens of Pol Pot soldiers have returned, carrying their weapons, ammunition, and military supplies and equipment. We rewarded these returnees with rice, cloth and money and also used them to make appeals to others in the forest. Within the entire district are three mountainous villages and the problem here of appealing to Pol Pot remnants to return to make a living has been basically resolved."

"Why have you emphasized and accelerated this issue?"

Chia Lieng nodded his head and laughed, "It is an issue with both a humane and a combat nature. We must appeal to them to reunite with their families because they were distorted into following Pol Pot. Nevertheless, we have methods of dealing with the stubborn ones. Recently, Xam Khuoi Village was able to appeal to two men to return but another one stubbornly resisted and the self-defense and militia forces opened fire and killed him on the spot. The remaining two, Xiboli and Buchay, returned home and were educated, were issued rice, cloth and medicine by the local administration, made their wives and families happy, were able to build grand homes and already feel remorse."

I asked Mrs. Sarayvet, President of the District Women's Association, and Kham Thoong Dam, Chief of the District Culture and Information Bureau, "Your national defense and security are already strong but how are the issues of youth, women, education and culture?"

"Let Mrs. Sarayvet speak, Mr. Newspaperman!," Kham Thoong laughed and lightly tapped her on the shoulder. "Our province now has a women's and laboring youth's movement of work for the front. The activities of the women's association and youth organizations are strong in many aspects such as: encouraging the people to sell grain to the state, and encouraging husbands and children to join the army and to charge forward in production to assure that sales of grain to the state will reach a level of 150 tons during this year. We are also urging the people to support the construction of recreational and cultural building for the teenagers and youths. The Stung Treng District administration is constantly concerned about all children attending school."

All along the road from Pleiku to Stung Treng City and from Stung Treng to here, the setting indicates that after only 6 years of liberation, the appearance of provinces in the northeastern part of Kampuchea has changed completely. More tiled houses exist and the streets are wide and filled with joy. There are no longer any illiterates, beggers are no longer seen, life is busy and orderly, the children and teenagers are obedient, clothing is clean and beautiful, and the markets have precious goods and beautiful suits of clothes of many colors and are crowded every day with customers.

I bade farewell to the soldiers of the regiment--a Kampuchean revolutionary army engaged in a combat mission in the tri-border (Laos-Kampuchea-Thailand) area, and still vividly recall their faces and their bright and happy lives at the outposts of the front.

I also met here many people from Kratie Province engaged in a mission. They were withstanding hardship and taking advantage of even their noon hours and moonlit nights to dig trenches and build the border defense line.

The chief of the Kratie Province public security forces said, "During this phase, we have sent 1,380 people to the front. The number registered to go is 2,876 but it will be phase 2 before they are required. Those unable to go during this phase are very "indignant." "Indignant" because they are unable to leave for the front line to protect the nation like others in the same hamlet. Arriving there, they work industriously, withstand hardship and adversity, and are courageously ready to sacrifice like true soldiers."

I asked Unxun of Kouk Sray Hamlet in Kouk Sray District of Kratie Province, "What did you think when you came out here to fulfill your mission?"

"I charged forward to fulfill the mission for my fatherland because this northeastern area must have peace in the true meaning of the word. I must be responsible for two and three times the jobs and ensure quality every day like my friends here."

Pun Pu of Boliu Village in Prechieng Hamlet of Kratie Province spoke as if boasting to me and his fellow workers crowded around, "In our village only last week, 127 Pol Pot remnant troops were called in and 59 weapons were collected. The village has just launched phase 1 and 238 people have registered to leave for one to one and one-half years, and we out here are competing with those at home.

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PEOPLE'S REPUBLIC OF KAMPUCHEA

CHHUP RUBBER PLANTATION OPERATIONS, PRODUCTION

Hanoi NHAN DAN in Vietnamese 13 Oct 85 pp 2, 4

[Article by Tran An Duyet: "In Chhup Rubber Plantation"]

[Text] The late season rain, with drops heavier than grains of rice, hissed against the sides of the vehicle and we felt that the storm had slightly intensified.

Sitting in the vehicle, Dua Xavang, a member of the Standing Committee of the Kampuchean Trade Union Federation, said to us, "These rainy days are truly beneficial to the rubber seedling cultivation plots of Corporation 7-1, one of the work sites of the rubber workers welcoming the Fifth Congress of the Revolutionary People's Party."

The vehicle stopped in Chhup for a few minutes rest and then continued on down a red dirt road leading to a large rubber plantation. Traveling in the opposite direction of our vehicle were trucks hauling dried latex, a product of the rubber plantation.

Sitting before us was a man dressed in the green protective clothing of a worker, in appearance tall and strong with a clear dark complexion, a square jaw and a thick beard; if we had not been introduced, we would have imagined he was a peasant elder living in the highlands. He was Cum En, Director of 7-1 Rubber Corporation. Turning a ball-point pen in his rough hands, he leisurely told us, "Our corporation has been assigned to work 13,000 hectares of rubber. From October to the end of this year, I have only to take latex from a little more than 300 hectares to complete the plan. Controlling this rubber plantation are more than 8,000 cadres, workers and civil servants. In the latex tapping force alone are 4,612 people. It is a good force, friend. Nevertheless, there is still a shortage of laborers! However, that problem has not affected our plan at all. The main thing is the people and that they are all determined. Our corporation has joined other locations throughout the nation in organizing an emulation movement to promote production and every work aspect, using these achievements to welcome the coming Fifth Congress of the Revolutionary People's Party."

This is a famous rubber plantation of the People's Republic of Kampuchea in the province of Kompong Cham. It is about 80 years old. However, the lives of man and nature only truly returned the day that the people of Kampuchea, under the leadership of the Kampuchean People's Revolutionary Party (KPRP), overthrew the genocidal regime of the Pol Pot-Ieng Sary-Khieu Samphan clique.

The plantation was even more beautiful after the storm with the clusters of leaves washed a deeper green by the rain and the rays of golden sunshine like fibers piercing the entirely straight rows of thick trees to create haloes and to unintentionally form the depth of a painting. From these more than 13,000 hectares, the corporation annually obtains about 38 million liters of fresh latex.

No one would know that these fields of fresh green rubber trees, under the Pol Pot genocidal regime, were a wilderness area and a gigantic concentration camp in which people lived like animals under the ruling whip of the "angkor" gang and gradually died next to the trunks of the rubber trees.

Entering a corner of the plantation, we saw a number of workers tapping the trees, everyone absorbed in his work with both hands skillfully using the point of a knife to open an obligue circle around the trunk of the tree, white sap flowing out like milk after the knife, and swiftly falling drop by drop into a porcelain bowl. Next to the trunk of a rubber tree, worker Chan Xophon with a felt hat on his head and a knife in his hand, was explaining and serving as a model for a class of young workers new to the trade, a trade in which Chan Xophon had lived for more than 40 years and witnessed the countless hungry and cold circumstances of the rubber plantation coolee through the previous regimes. He confided, "It was only with liberation on 7 January 1979 and the Revolutionary People's Party that I have truly been able to live and to work in order to contribute to my beautiful country of Kampuchea. I, like everyone else here, understand that each drop of latex obtained each minute and each hour is like the sweet honey contributed to life by the bee. It is only now that the workers, living under the revolutionary administration, have been able to truly take control and to know that their achievements are a contribution to life and national reconstruction."

Mia Xakhon, a young female worker only 20 years old with a round face and large wide-open eyes, half-timidly told us, "The five members of my family are all rubber workers and my mother and father now still work at this corporation. I am a member of the Revolutionary Youth Association and because I want to contribute, I know only how to work and to study truly well, and each day, I am able to tap 90 liters of fresh latex."

The two generations are an age apart but have the same thoughts and labor enthusiasm. They, like most of the workers here, are advanced laborers. The daily norm of each is 60 liters but they usually tap 80 to 90 liters to assist in the plan of 15 million liters for the fourth quarter of this year.

The rubber area of Kompong Cham has three corporations: the 7-1 Corporation, the Huu Nghi [Friendship] Corporation, and the Doan Ket [Solidarity] Corporation. Annually, these three corporations supply the state with 17,000 tons of dried latex (crepe); the 7-1 Corporation alone contributed 11,000 tons, 60 percent of the total product value of all three corporations in the area.

The car took us to visit a processing facility of the corporation. After passing through a field of rubber trees, we reached a wide open space with the seething sounds of electric generators, processing machinery, vehicles, laughing and talking. At the plant's gate we saw stretched a red banner with gold writing, "Determinedly Compete To Complete the 1985-4th Quarter Plan to Welcome the Fifth Party Congress." Through the statements of Soc Sam, Deputy Director of the Corporation, we learned that this latex processing plant before 7 July 1979 suffered serious destruction and damage by the Pol Pot gang. After liberation, a few of the surviving workers gathered up the equipment with their bare hands and found the old workers who had drifted everywhere to reconstruct the plant. The Vietnamese General Rubber Department sent specialists along with equipment and means of transportation to the Kompong Cham rubber area to work shoulder to shoulder with their Kampuchean brethern in restoring and developing production.

The trucks stop to fill a tank with fresh latex through conduits. Stream after stream of white latex flows into a pond. Next to the latex holding pond are groups of workers using power saws to cut square blocks of rubber latex after it has coagulated; and in this manner, each white square block passes through the masticator system. The final steps are steam drying, weighing and measuring, and packaging.

Simultaneously producing and expanding production; working for today and at the same time attending to work for the future. After liberation, the cadres, workers and civil servants here concentrated their efforts on exploitation and processing. Now, the establishment of seedling cultivation plots is extremely important. With the assistance of Vietnamese rubber specialists from Dau Tieng and Phuoc Hoa, the first seedling cultivation plot was established at Corporation 7-1 on 1 August 1985.

We looked over an entire large plot of land where the rows of seedlings were carefully wrapped in nylon bags and arranged in entirely straight rows with small paths and a fresh water irrigation pipe system cutting across the plant nursery in the form of a ladder. Occasionally, a breeze from the rubber forest wafted by, causing the clumps of young and tender leaves to tremble and gently rustle in this seedling area of more than 7 hectares. A nursery worker told us, "This farm area has 5 hectares of seedling nursery with 538,417 seedlings. In 3 or 4 more months, we will cross-graft these seedlings and transplant them. This is a project full of persuasive strength and bearing great significance in welcoming our Fifth Party Congress--and bears the name Party Congress V."

The worker joyfully continued, "With technical guidance from the Vietnamese specialists on the various steps from operation of the seedling nursery and care to cross-grafting, we have completed all tasks. These 5 hectares in the future will give the corporation an additional 1,000 hectares of good green rubber trees."

Within the seedling nursery area, irrigation is still conducted by coordinating semi-mechanized and manual methods. In the days to come, pumping equipment will be brought here from Vietnam. This fact illustrates one sure thing, that these 5 hectares of seedling nursery--a project entitled "Congress V"--will reap fine results and partially contribute to the expansion of production of the Kompong Cham rubber area.

Observing the scented green rubber plantation today, not one worker forgets his arduous days under the old regime with the deep genocidal pits of the Pol Pot gang, working without food and living without knowing whether it was night or day. Now, under the revolutionary administration led by the People's Revolutionary Party, the lives of the workers have changed, truly living now for themselves and to assist in building the new regime, a regime returning collective ownership to each individual.

We visited a worker housing area where, mixed in with a small number of old houses with thatched roofs, there were rows of constructed homes still smelling of new whitewash. Thousands of corporation workers have been moved here to live and other plots of ground have recently been leveled for foundations with limestone, brick and tile scattered on the side and dozens of craftsmen continuing to erect other homes. The rows of new homes in the Pren Chien and Thomo Pich area production units and many other points of Corporation 7-1 caused us to be extremely surprised and enthusiastic. Before the door of each home, the workers had all planted flowers or fruit trees, the initial features of a new life. The secretary of the Corporation 7-1 trade union told us, "During the recent past, the corporation has constructed nearly 5,000 such houses and is presently continuing completion of another 150. Each house has an area of 50 to 60 square meters, not counting the auxiliary area. Worker families with four members or less are issued one room in such a house; the houses are divided into two separate households and families of more than four members live in an entire single house."

On the road back to the work building of the board of directors, we saw with our own eyes levels 1 and 2 school areas, a dispensary, a child care center, an athletic field, etc. All have newly risen within the space of the past few years.

The rhythm of daily labor resounding from the spacious rubber forests to the new housing areas is a song which can never be extinguished from this area of red soil.

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BETTERMENT OF OFFICERS' OVERALL TRAINING URGED

Hanoi QUAN DOI NHAN DAN in Vietnamese 20 Sep 85 pp 1, 4

[Editorial: "Endeavor To Improve the Quality of Overall Training"]

[Text] Improving the quality of overall training is an extremely important requirement of the training of cadres by army institutes and schools and is also a factor determining our army's strength both at the present time and in the distant future.

In pursuance of the policy of reforming the cadres' training, army institutes and schools have taken important steps to formulate perfect training programs and themes according to a basic, comprehensive and uniform pattern and have further improved teaching and learning quality. However, in comparison with requirements of the constructive and combat mission of our army at the present time, the quality of training in institutes and schools is still limited from many points of view, especially with regard to the young officers' ability to put their knowledge into practice and to manage and command troops.

Army officers have to perform very heavy duties. They must not only command soldiers to train and fight skillfully but must also know how to manage their units from all points of view and to organize and teach soldiers strictly to observe army discipline and state law and conscientiously and properly preserve and maintain all weapons and equipment in their custody. Army officers must take care of the material and moral life of soldiers and wisely resolve the special relations between soldiers and the local people and administration. Military activities are special tasks which require army cadres to exert great physical and mental efforts. To endow officers with sufficient qualities and abilities to fulfill complex duties inherent in their function and responsibilities, the quality of their training in institutes and schools must be improved from all points of view.

In addition to meeting requirements of basic and comprehensive training, all institutes and schools must further intensify practical training, especially in schools which train cadres at the detachment level. Over the past few years, many students who graduated as low-ranking officers and were subsequently assigned to various units to do their jobs have proven somewhat inefficient in managing and commanding troops. Therefore, in developing practical training programs and themes, institutes and schools must pay special attention to improving the students' capacity to manage and command troops. Both the program substance and the training method must clearly reflect the specific objectives and requirements to be fulfilled concerning the students' standard of knowledge of troop management and command. Conditions must be created for students to practice management. Probation in units, especially those on the frontline, is an important subject matter. But to achieve high effectiveness during each probation period, schools must clearly set forth objectives and requirements and apply a suitable organizational method. Cadres and teachers in charge of guiding probationers must be experienced in management and command. When examining and evaluating the result of the probationers' learning, it is important to assess their ability to manage and command troops in actual practice, thus drawing their attention to the need for further training and study to improve this ability.

The students' ability to manage and command troops cannot be separated from their working manners, exemplary acts and strict observance of discipline. While learning to improve their ability to manage and command units, student officers must, therefore, train from all points of view to really become cadres who set good examples for soldiers to follow.

Ours is an army which has been trained and tested for a long time in combat realities. The fact that our commanding cadres are well experienced ia a very favorable condition for institutes and schools to train a body of young officers with a revolutionary spirit, a high standard of knowledge and great managerial and command capacities.

Encouraged by the deep concern of the party and state about the training of our army cadres--a tangible evidence of which being the cordial meeting between party and state leaders and distinguished students during the nationwide examination organized recently by institutes and schools--let all institutes and schools throughout the army develop the results obtained in the 1984-1985 academic year and concentrate all their efforts on improving overall training quality in order to meet the increasingly great demands of our army's constructive and combat mission in the present revolutionary stage.

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MILITARY AFFAIRS AND PUBLIC SECURITY

NEFARIOUS EFFECT OF ALCOHOL ON TROOPS DEPLORED

Hanoi QUAN DOI NHAN DAN in Vietnamese 18 Sep 85 p 2

[Article by Dang Van: "A Lesson on The Lethal Effect of Alcohol"]

[Text] Army hospital No 17 recently performed autopsy on a dead man called Tran Van--private first class of the 3d Squad, 3d Company, at Hoa Cam depot (Military Region 5).

After the autopsy, doctors found signs of stomach perforation and vein rupture extending from the neck to the abdomen. They concluded that excessive consumption of alcohol was the principal cause of Tran Van's death. Following is the report by the 3d Company commander who was directly in charge of private Tran Van.

At 6 pm on 7 July 1985 when company and squad cadres were changing command, two soldiers called Tran Van and Bien Thanh urged each other to slip out for a binge but the sentry stationed at the gate refused to let them out because they carried no pass issued by the battalion command. Both soldiers tried to persuade the sentry to let them out. Finally, failing to keep strict discipline, the sentry allowed both soldiers to go out illegally and even accompanied them to the tavern after asking another sentry to stand guard in his stead.

On arrival at the tavern, the three men ordered a bottle of more than a half-liter of alcohol. After finishing this quantity of alcohol, they challenged each other to dring three more bottles of alcohol under the condition that anyone failing to drink all three bottles and getting tipsy would have to foot the bill. After consuming six such bottles, two men were as drunk as owls and had to be led back to their unit by three other soldiers of the same company. When inspecting his unit, the company commander was informed of the event but did not quickly report it to the unit physician and medic. Tran Van died at about 2 am.

The radio station and the press have dealt at length with alcoholism. Many units and organs in Military Region 5--especially unit N72 and group C79--have launched a campaign to dissuade cadres and soldiers from drinking alcohol (both at home and during festivals) and this campaign has been welcomed by them. Some units have earnestly taken many measures to limit and ultimately stop the soldiers' habit of frequenting taverns and drinking alcohol.

The story about the above-mentioned three soldiers of the 3d Company has inevitably reminded us of the responsibility of cadres at all levels. First and foremost, the commander must have a disciplined lifestyle to really set a good example for soldiers to follow. He must also display a high sense of responsiblity by strictly controlling cadres and soldiers under his command and by seeking educational methods based on logic and sentiments to make soldiers clearly understand and strictly observe regulations and orders in force in their unit and throughout the army. Every soldier must be fully aware of the harm done by alcoholism, self-conscientiously implement health care regulations and other orders and refrain from enticing and challenging each other to drink alcohol. If all that is done, we are sure that incidents similar to the above-mentioned case of "alcohol-related death" will no longer happen.

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CAPITAL MILITARY REGION FORCES STUDY NEW PENAL CODE

Hanoi HANOI MOI in Vietnamese 8 Nov 85 p 2

[Article by Lt Gen Lu Giang, Commander of the Capital Military Region: "The Capital's Armed Forces with the Task of Implementing the Penal Code"]

[Text] The penal code is a perfect legal document regulating the concentration and unification of every issue dealing with crime, punishment and the administration of punishment, and totally expressing the penal policies of our party and state during the present revolutionary period.

The struggle against criminals and law violators in the army is an extremely important task in assisting to protect and raise the combat strength of the armed forces in general and of the armed forces of the Capital Military Region in particular. During the process of mission achievement, the task of elevating the concept of disciplined organization and law and upholding the fine qualities of "Uncle Ho's troops" is one of the reasons directly creating the strength which allows the armed forces to overcome every difficulty and without minding sacrifice and severe hardship, to outstandingly complete the mission. The people's army is a sharp and reliable tool of the party and the proletarian dictatorship state with a responsibility to protect the party, the government, the people and the law. Therefore, the armed forces must set the example in strict compliance with the law of the state aimed at contributing toward completion of the two strategic missions.

In order to have conditions for fully developing socialist collective ownership rights in complying with state law, a thorough and complete understanding of the basic viewpoints of the party as expressed in the penal code is an important and foremost requirement.

With a profound recognition of the problem above, immediately after the draft of the penal code was presented for the combined opinion of the people along with the armed forces of the entire country, the capital armed forces accepted it with high responsiveness, unanimity and agreement. A phase of political activities was begun in the main force troop units and among the militia and self-defense forces. Through this, their level of understanding about the law was raised, and many opinions on the draft bill were contributed. At the same time, the discipline of the military region armed forces became stronger.

Under the supervision of the Ministry of National Defense and the Political General Department, the Capital Military Region advocates that, before the Penal Code becomes effective, a phase of political activities be initiated with the purpose of:

1. Causing the cadres, soldiers and national defense workers to clearly understand the objective, significance and mission of the Penal Code.

2. Firmly grasping the fundamental viewpoints and elements of the Code and specifically studying the themes of the code's chapters and clauses, especially Chapter XI, the chapter on the crimes of violating the duties and missions of miliary personnel.

3. On the basis of raising the recognition and building the concept of respect for the law, upholding the spirit of socialist collective ownership, and conscientiously and strictly complying with the laws of the state and the laws and regulations of the army, actively participate in the struggle to prevent and resist criminals.

4. The Military Region will revamp the organization of legal sectors (criminal investigation, control organs and military region military courts), and military region inspection sectors in order to raise the quality of the law in the investigation, prosecution and punishment of criminal acts precisely in accordance with the law, and to unceasingly raise the quality of penalization in precise accordance with the lines, positions and policies of the party, the state and the army.

Legal agencies must strive to become models in compliance with the law and firmly coordinate with the inspection, court and public security sectors of the city to assist in properly achieving their function in the struggle against law violators and criminals within the capital. Along with that, the armed forces of the capital must continue to actively and firmly coordinate with the local administrative sectors and organizations to propagandize and educate the people in properly complying with the Penal Code.

Under the enlightened leadership of the party and state, with the strength and truth of the Penal Code and the socialist awareness of all of our people and army, and under the constant supervision of the Central Military Party Committee, the Ministry of National Defense and the Municipal Party Committee, the armed forces of the Capital Military Region are determinedly striving to become symbols in compliance with the law and the maintenance of discipline.

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COUNTERFEIT BICYCLE PARTS SOLD OPENLY

Hanoi HANOI MOI in Vietnamese 2 Nov 85 p 3

['Consumer's Notebook' column by The Consumer: "Counterfeit Goods"]

[Text] If you want to discover counterfeit goods, you don't have to travel far and the inspection units are invited to visit the Hoa Binh Market and the area selling bicycle parts near there.

Among the thousands of spare parts used in the assembly of bicycles, the genuine and counterfeit items are intertwined and intermixed as if challenging the consumer. Alongside the primary products of production facilities, there are also seconds and scraps that have been "shined up and nickel plated" like category 1 items. Besides the well-known "trademarks" fabricated and printed on phony goods by dishonest individuals, there are brands that they concoct to deceive the customer such as: "Xuan Hoa" frames, "French-Vietnamese" sprocket wheels, etc. In reality, the Xuan Hoa Bicycle Plant does not make frames and there is no plant making sprocket wheels bearing the "French-Vietnamese" brand name. There is also a type of ball bearing that requires constant shining and is claimed to be the Dong Anh brand but is actually a "handmade" bearing made of a type of steel not meeting the precise requirements.

These types of counterfeit goods are known by many, including the market management agencies. However, no one has taken care of the problem. Merchants here are often fined for having no business license and failing to post prices but not for selling counterfeit goods.

I think that prosecution of counterfeit goods sales and distribution is an extremely important step in resisting this calamity and must be conducted in a strict and effective manner by administrative and economic methods.

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MILITARY AFFAIRS AND PUBLIC SECURITY

EDITORIAL URGES STRICT PROSECUTION OF BOGUS GOODS PRODUCTION

Hanoi HANOI MOI in Vietnamese 5 Nov 85 pp 1, 4

[Editorial: "Strengthening Market Management To Eliminate Counterfeit Goods"]

[Text] Recently, in the Hanoi market could be seen many types of counterfeit goods such as: candy, beer, western drugs, sewing machine thread, cigarettes, bicycle parts, etc. Counterfeit candy, beer, cigarettes, etc. easily deceive the customer because all use genuine wrappers, bottles and trademarks spirited out of this or that facility. Counterfeit bicycle parts are of the type for which quality cannot be assured but bear the "brand" of production facilities trusted by the customer.

Counterfeit goods create much harm, cause losses to the consumer, at times even endanger lives, disrupt the market, adversely affect the prestige of production facilities, and in addition create waste for society because of the amount of raw materials and supplies used to make counterfeit goods which the buyer must then discard. Counterfeit goods also infiltrate the stands of state stores and marketing cooperatives (such as candy and cigarettes) through the hands of low quality personnel to reduce the prestige of socialist commerce and disrupt the management task. In reality, the counterfeit goods producer as well as those who connive in selling counterfeit goods are breaking the law and must be severely punished.

There are many reasons for the counterfeit goods phenomenon. First of all, it is due to a number of unsavory individuals striving to find ways of deceiving the consumer for dishonest profits. Because the management of product seals, wrappers, molds, etc. in a number of production facilities and printing plants is still lax, they can be taken for use or for sale to those manufacturing the counterfeit goods. The recognition and prosecution of this type of crime are generally not commensurate with its far-reaching damage to the market and to social life; in some locations, it is considered equivalent to not having a goods license or not posting prices. The crimes of manufacturing, receiving and dispensing counterfeit goods are much more serious and must be appropriately punished in accordance with the law.

From a clear recognition of the harm of the counterfeit goods calamity, coordination between related sectors must be organized to achieve prompt cessation and elimination. Besides strengthening product management in the production facilities, it is also necessary to firmly manage wrappers and labels in the factories, enterprises, cooperatives and plants engaged in the contract manufacture of labels and wrappers. The situation must end in which workers and cooperative members obtain labels and wrappers from the facility or product seals and sell them or use them to produce their own goods. The old labels, wrappers and molds no longer used must be carefully stored or destroyed while being witnessed by a council of responsible members. In market management, attention must be given to the discovery of those manufacturing counterfeit goods and those conniving to infiltrate counterfeit goods into the stands of socialist commerce. During prosecution, the crimes of making and dispensing counterfeit goods must not be confused with the ordinary violations of business regulations. It is necessary to develop the collective ownership spirit of the cadres and people to assist the inspection and market management forces in discovery and in prompt and accurate prosecution.

The elimination of counterfeit goods is an objective in the market management task, both to protect the rights of the consumer and the prestige of the production location, and to assist in human education and social wholesomeness.

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INDUSTRIAL RELATIONS, TRADE, AND AID

INDOCHINESE SYMPOSIUM ON PRIMARY EDUCATION CLOSES

BK141721 Hanoi VNA in English 1556 GMT 14 Dec 85

[Text] Hanoi VNA 14 Dec -- A symposium on "Educational needs of the children in the 0-6 age group" of Vietnam, Laos and Kampuchea ended in Hanoi today after six days' sitting.

Among those present at the closing ceremony were representatives of Vietnamese offices and branches concerned, and Vietnamese and foreign journalists. Also present were the [words indistinct] the UNICEF office in Vietnam representatives of the UNICEF offices in Laos and Kampuchea as well as UNICEF advisors [word indistinct] experts in child care and education.

The symposium heard reports on child care and education in Vietnam, Kampuchea and Lao, which were delivered respectively by Mrs Dinh Thi Can, director of the Vietnam Mother and Child Care Commission, Mrs Chey Kanha, vice-minister of Public Health of the People's Republic of Kampuchea, and Mr S. O. Nhouthamethi, head of the Pre-school Education Commission under the Lao Ministry of Education.

The participants also heard reports by UNICEF advisors and experts scientific know-how and experiences in child care and education at home, at creche and kindergarten in training nurses and in organizing services for children, as for illustration, they toured many creches. Kindergartens and nurses training schools in Hanoi. [paragraph as received]

In her closing speech, Mrs Dinh Thi Can, head of the Vietnamese delegation, said that the success of the symposium would be a good start for practical activities in the work of child care and education, for the constant development of the cooperation in this domain among the three Indochinese countries, and for more effective assistance from UNICEF.

The three delegations of Vietnam, Laos and Kampuchea and the UNICEF representatives agreed on a program of action for the coming period in order to improve the quality of child care and education in the three countries.

Speaking at the symposium, Nguyen Huu Tho, vice-president of the State Council and chairman of the National Assembly, expressed sincere thanks to UNICEF, and other international organizations and fraternal countries for their effective assistance in the recent past in the child care and education of Vietnam, Laos and Kampuchea.

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INTERNATIONAL RELATIONS, TRADE, AND AID

DOCTOR INTERVIEWED ON MEDICAL CONGRESS IN U.S.

OW160801 Hanoi VNA in English 0706 GMT 16 Dec 85

[Text] Hanoi VNA 16 Dec--Prof Dr Luong Si Can, director of the Vietnam Institute of Oto-Rhino-Laryngology [ORL], last summer attended the 13th World Congress of Oto-Rhino-Laryngology of the International Federation of Oto-Rhino-Laryngological Societies [IFOS] held in Miami Beach, Florida, U.S.A. Recently he talked to VNA on his participation in the congress.

[VNA] Professor, what was the main topic discussed at the 13th World Congress of Oto-Rhino-Laryngology?

[Answer] The 13th World Congress of Oto-Rhino-Laryngology was held in Miami Beach, Florida, U.S.A. from May 26-30, 1985 with the participation of more than 2,000 representatives from 78 member countries. 1,125 papers were presented together with 181 scientific films, and 150 video tapes. This is a major world congress that was very helpful to ORL specialists in that it enhanced their professional knowledge and promoted their cooperation.

[VNA] Did Vietnam benefit from the congress?

[Prof Can] Of course we did. In particular, at this congress Vietnam became a full member of IFOS.

[VNA] Did you have many contacts with your American colleagues?

[Prof Can] Before the recent congress, I had been invited by our American colleagues to the annual congress of the American Senior Oto-Rhino-Laryngological Society, the Academy of Otolaryngology Head and Neck Surgery, the Broncho-esophagological Association, the Academy of Otolaryngological Allergy, the Academy of Facial Plastic and Reconstructive Surgery and the Neurotology Society. It was held at the same place as the recent one.

[VNA] You were invited to make a tour?

[Prof Can] Yes, I visited some major hospitals and some well-known universities and also an ordinary hospital, the Harlem Hospital in New York. The American Medical Institutions are well equipped for diagnosis and treatment. High technologies are widely applied and research is adequately funded.

[VNA] What is the present situation of the oto-rhino-laryngological branch in our country?

[Prof Can] Our country is still poor, so the shortage of equipment is inevitable. But in spite of all difficulties, we have managed to set up an oto-rhino-laryngological service throughout the country. Inspired by high dedication to our profession and encouraged and assisted in many ways by the government, we have been able to handle common ORL diseases. At some major health centers and big hospitals, we have succeeded in treating difficult cases of ORL left by the old regime, and inherent in any under-developed agricultural country such as intra-cranial complication of mastoiditis and foreign bodies in the esophagus and the respiratory tract...The institute has made its utmost to use modern techniques with modifications to suit Vietnam's conditions and the result obtained so far have been very inspiring. In some respects we have attained the level of developed countries.

[VNA] What about the international relations of your institute?

[Prof Can] Through the department for foreign relations of the ministry of public health, our institute is maintaining contact with the U.S. Committee for Scientific Cooperation with Vietnam with Prof Mrs Judith Ladinsky as president. We have agreed on several forms of cooperation and assistance.

Prof Dr Luong Si Can has had many successes with tympanoplasty for the treatment of otitis media and deafness surgery including stapedectomy and endolaryngeal micro-surgery.

Prof Dr Luong Si Can and his colleagues have been conducting research on oto-rhino-laryngological cancer especially naso-pharyngical and pharyngolaryngeal cancer. They have produced several allergens to treat ORL allergy of late, they have used acupuncture anesthesia in ORL surgery with satisfactory results. At the Phono-audiology Center of the institute, they are studying methods of functional rehabilitation of deaf-mute children to be applied at schools for deaf mutes.

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CSO: 4209/163

INTERNATIONAL RELATIONS, TRADE, AND AID

BRIEFS

UN REPRESENTATIVE CONDEMNS U.S.--Hanoi VNA 14 Dec--The Vietnamese Government and people resolutely support the right to self-defence of the Nicaraguan people in their heroic struggle for sovereignty, territorial integrity, the right to life and self-determination, said the acting head of the Vietnamese representation to the United Nations, Bui Xuan Nhat. Speaking at an ad hoc session of this organization on Dec 11, Bui Xuan Nhat strongly condemned the U.S. Government's recent acts of aggression against Nicaragua, stressing the serious effects of the U.S. supply of surface-to-air missiles to the reactionary forces, thus making the situation in Central America ever more strained. He said that the U.S. acts are a challenge to all nations, big and small, and a brazen violation of the U.N. charter and international law. These acts also undermine Contadora's efforts and run counter to the aspiration of the people in Central America and other parts of the world, he added. [Text] [Hanoi VNA in English 0739 GMT 14 Dec 85 OW]

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CSO: 4209/163

NGUYEN HUU THO ATTENDS VACCINATION CAMPAIGN START

BK151623 Hanoi VNA in English 1451 GMT 15 Dec 85

[Text] Hanoi VNA 15 Dec -- A nationwide enlarged vaccination campaign for the 1985-88 period was inaugurated at a grand ceremony here this [word indistinct].

The function was attended by Nguyen Huu Tho, vice-president of the State Council and chairman of the National Assembly; Huynh Tan Phat, vice president of the State Council and president of the Presidium of the Vietnam Fatherland Front Central Committee; Dr Dang Hoi Xuan, minister of public health, and leading officials of various ministries, services and offices.

Representative in Vietnam Paul Louidlaudat, and the UNICEF representatives in the region, Laos and Kampuchea, the representative of the World Health Organization (WHO) in Vietnam, Dr Zia-ul Islam, and representatives of various foreign embassies and other international organizations here also attended.

In his inaugural speech, Dr Dang Hoi Xuan said that in its program of "health for everyone till the year 2000," WHO is sponsoring "eneraged vaccinations" campaigns against contagious diseases of children, notably tuberculosis, paralysis, measles, diphtheria, tetanus, and whooping cough.

On the basis of the results obtained by Vietnam in this field over the past decades, he said, the Vietnamese Government has accepted the proposal of the UNICEF director general of LAUNCH an enlarged vaccination program for Vietnamese children so as to draw experience for the other countries in the region. He said December 15, 1985 marked the beginning of a week of enlarged vaccination in Hanoi and a number of other cities. The program for nationwide enlarged vaccination will last until 1988. Speaking at the ceremony, Vice President of the State Council Nguyen Huu Tho thanked all the diplomatic missions and international organizations for their precious assistance. He called on all state organs, services and administrative bodies to strictly implement the instruction of the chairman of the Council of Ministers and carry this campaign through the success.

Nguyen Huu Tho and the other officials present later witnessed the administering of the first anti-paralysis vaccines to children of Ly Thai To Ward, Hoan Kiem Precinct.

Also today, thousands of children under 36 months of age in Hanoi were brought to 260 vaccination stations.

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CSO: 4209/163

PRICE HIKE FOLLOWING CURRENCY EXCHANGE REPORTED

Hanoi QUAN DOI NHAN DAN in Vietnamese 19 Sep 85 pp 1, 4

[Article by Ngoc Nam: "Hanoi's Market in the Past Few Days"]

[Text] Though having to concentrate on the urgent central task of withdrawing and exchanging money, the Hanoi municipal party and people's committees have considered market management important. The Hanoi commercial sector--especially the grain, food and general merchandise shops--have been selling goods during normal working hours. Early in the afternoon of 14 September, many shops of the Hanoi commercial sector--such as the Bo Ho and Cua Nam department stores--posted dual price lists in two kinds of currency with the state-fixed exchange rate of 10 former dong for 1 new dong, thus creating favorable conditions for customers to use both the new currency and the old banknotes of less than 10 dong denominations. This timely move effectively set the people's mind at ease and won their confidence in the state policy of issuing new banknotes and withdrawing old ones. At the same time, this measure had the effect of refuting the false rumor that "the old banknotes of less than 10 dong denominations have lost their value and will also be invalidated" which was launched by bad elements to confound and prompt certain people to use old banknotes to buy goods from them at higher prices than if buying with new banknotes, thus enabling these bad elements to make a profit and disrupt the market.

Apart from this positive aspect, some unwholesome practices were seen in Hanoi's market in the first few days. First of all, private individuals in the servicing sector arbitrarily raised prices. In the past, they sold a bunch of vegetables at the price of 10 or 12 old dong but now charged 5 new dong (equivalent to 50 old dong); formerly, they sold each kilogram of beef for 400 to 450 old dong but on 14 September (the day of currency exchange) they raised its price to 400 new dong (equivalent to 4,000 old dong); the price of a bowl of beef and noodle soup which was formerly between 30 and 50 old dong jumped to 10 new dong (equivalent to 100 old dong); customers were requested to pay 2 new dong (equivalent to 20 old dong) for a haircut which formerly cost only 12 old dong; and people had to pay 1 or 2 new dong (equivalent to 10 or 20 old dong) for inflating a bicycle tire, which formerly cost only 2 old dong. We understand that private traders unilaterally raised prices and disrupted the market because, by nature, they were inclined to make a profit without thinking about serving the people. But it is regrettable that some restaurants and beverage shops belonging to marketing cooperatives and even state stores were also inspired by commercial motives; they also unilaterally raised prices and "forgot" that their goal was to serve the people and that their role was to act as the leading force in the organized market. On the morning of 14 September, the restaurants in Hang Bai and 20 Ngo Quyen St charged between 30 and 40 old dong for a bowl of beef and noodle soup which barely contained any meat. In the first 2 days, the restaurant in Cau Giay, Tu Liem District, doubled the price of a bowl of beef and noodle soup and pig's tripe soup without making any qualitative or quantitative change. The food counter in Hotel No 2 in Duong Thanh St also unilaterally hiked beverage prices.

Thus, on 14 and 15 September, because of our failure to promptly and actively take energetic measures to manage the market, private traders and some employees of shops belonging to marketing cooperatives and state stores took advantage of this shortcoming to destablize the market. Aware of this situation, the Hanoi People's committee quickly ordered the public security, commercial and tax sectors and the ward and district administration to cooperate closely in intensifying market management. Market management teams urgently went to all markets to strictly control the sale of goods by private traders and to compel them to sell at state-mandated prices. Concerning shops belonging to marketing cooperatives and state stores which unilaterally raised prices, the market management forces conducted investigations, drew up official reports and took appropriate measures to deal with them. Cadres, workers, civil servants, armymen and the people warmly welcomed these acts and enthusiastically coordinated with the market management forces to oppose unilateral price hikes by private traders in all markets. The efforts of the commercial sector (vegetable, fruit and food corporations) to increase the volume of vegetables by one-half and even to double it and to increase the quantity of meat by more than 10 tons also contributed notably to stabilizing prices.

However, a problem which the market management forces have not yet taken care to resolve is the fact that the service charges for haircuts and vehicle parking and tire inflation and the prices of fresh food products, such as vegetables, fruit and eggs sold by cooperatives and private individuals, are still much higher than the directed prices. Most people are hoping that the market management forces will pay attention to controlling and tightly restricting these negative acts.

Generally speaking, to date the Hanoi market situation has been basically stabilized and the prices of staple commodities and many industrial goods have remained normal. However, the market situation may fluctuate again in the near future because speculators and illegal traders are still seeking by all means to raise prices to make a profit. To sell rice at a higher price, they have launched the rumor that the recent flood and waterlogging have reduced the yield of grain crops. Moreover, they have alleged that "in the near future when the state implements the new wage system, the prices of all goods including grain and food products will increase 10-fold;" they do so to induce "foresighted" people to stock up goods by buying from them at the current prices, thus enabling them to accumulate more new banknotes for use as capital to do illegal business and disrupt the market. Therefore, despite the gradual stabilization of the market situation, market management is still a very important and urgent task which requires the Hanoi socialist commercial sector rapidly to reorganize production and socialist trade and to master the market and which demands that the market management forces continue their activities to fight successfully against tricks designed to disrupt the market to make a profit.

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CSO: 4209/98

HO CHI MINH CITY STRENGTHENS MARKET MANAGEMENT

Hanoi NHAN DAN in Vietnamese 6 Oct 85 pp 1, 4

[Article: "An Important, Urgent Task--Strengthen Market and Price Management, Resolutely Fight Speculation, Smuggling"]

[Text] Recently, in Ho Chi Minh City the guidance committee for market transformation and management of the southern region held a meeting on ways to strengthen market and price management and struggle against speculation and smuggling.

Vo Van Kiet, member of the VCP Central Committee Political Bureau and vice chairman of the Council of Ministers, presided over the meeting.

Since the sixth central meeting of June, 1984, market and price management has proceeded with vogor. In the southern region, it is closely linked to the effort to strengthen socialist trade forces, accelerate transformation and reorganization of private merchants through transitional forms (business cooperation between the state and private traders, commission retail and organization of merchants into commodity groups, etc.), energetically struggle against speculation, smuggling and illegal commerce and strictly punish those undermining and disrupting the marketplace. As a result, discipline has begun to prevail.

Flexible prices relatively close to production and business realities and apt to strongly speed up production growth and enable state trade to acquire more and more goods, have come to dominate the market, especially the grain and food market, serving the people's livelihood fairly well. Compliance with price discipline in state business organizations has increased. Competitive buying and selling between localities has gradually gone down. Regulations on price posting and on buying and selling at posted prices were strictly implemented at many places, including state stores, marketing cooperatives, business cooperatives and private outlets. In recent days, many localities including Ho Chi Minh City, Dong Nai and Hau Giang, have vigorously exerted control and resolutely and promptly addressed violations of regulations on prices and market management. Some localities have achieved good results in setting up worker control units with the aid of mass organizations and in stimulating the masses to take part in inspecting and exposing business organizations--state-run and private alike--engrossed in market management and price violations. Instances of arbitrary price gouging, especially during the recent drive to exchange old currency for new currency, were appropriately prosecuted.

Since the currency exchange, however, the market and price situation has experienced complex changes. Speculators eager to disrupt the market and enemies bent upon taking advantage of the new prices-wages-money policy to sabotage our national economy and frighten the people, have systematically bought up and hoarded merchandise, mostly staple commodities, causing prices to shoot up. Failure to maintain market prices could unsaddle the new price system and reduce the actual value of wages and the new currency purchasing power. Therefore, a central and urgent task for market and price managers now is to leave no stone unturned in keeping prices steady, controlling the market and fostering the wholesome effects of the new prices-wages-money policy--in concrete terms, successfully protecting the value of new currency and new ages, speeding up production and circulations growth and stabilizing living standards toward stabilizing the economy. While implementing these important economic measures, we should intensify state proletarian dictatorship and the laboring people's role as master in price management. Strict price discipline should be enforced in state management and business organizations. State-run and prive stores should post prices and purchase and sell goods at posted prices. Management of all commodity prices and circulation costs in the market, especially the grain market, should be strengthened. Recent experiences in many localities clearly indicate that in order to successfully accelerate socialist transformation and price management in compliance with the resolution of the Eighth Plenum of the Central Committee, we should resolutely and patiently struggle against speculators, smugglers, dealers in prohibited goods and counterfeiters. Since mid-1984, due to correct awareness of the situation, southern localities have strengthened guidance and have achieved active results in the process.

Smuggling in the region has obviously decreased as a result of a strong and resolute struggle by the state and people, under VCP leadership; nevertheless, the situation still remains complex and serious in many areas and along many communication lines--along the border, on railways, in the air, on sea lanes and off-the-coast floating markets. Equally complex is the bad practice of speculation, which often goes hand-in-hand with violaters of socialist property. Embezzlers in organs and enterprises keep stealthily supplying goods to outside speculators engaged in disrupting prices, the commodity situation, our currency and the marketplace. Speculation and smuggling have caused considerable damage to the economy, political security, social order and safety, and cultural and ideological progress, and is closely linked with the enemy multiform sabotage plot.

Recapitulating the meeting, Vo Van Kiet emphasized that market transformation and management, as stipulated by the resolution of the Eighth Plenum of the Central Committee should be carried out more homogeneously and in conjunction with organization of socialist trade. Cadres, party memebers and the masses should be made to clearly understand that speculators and smugglers are main targets for strict isolation and elimination. For a long time, he stated, we have had a flexible policy, focusing on education and exhortation. But speculators and smugglers have not ceased disrupting the marketplace, showing their true colors as saboteurs of the economy, the laboring people's livelihood and national development. Only by struggling to eliminate them can we succeed in protecting national development, security and internal strength.

Revolutionary dictatorship should be used to ruthlessly punish smuggling and speculation ringleaders and destroy their organizations and hideouts. At the same time, we should fight negative phenomena within party and state organs and mass organizations, depriving smugglers and speculators of their traditional support. Currently, there still exist some backward and denatured cadres and party members colluding and associating themselves with speculators and smugglers, thus lending a hand to economic saboteurs. This is no longer usual backwardness. They should be severely punished, Vo Van Kiet stated.

9213/12980
CSO: 4209/90

NORTH STRIVES TO PRODUCE 8 MILLION TONS OF GRAIN

Hanoi NHAN DAN in Vietnamese 7 Oct 85 p 1

[Article: "Plans, Measures Enabling 1985-1986 Winter-Spring Crop To Produce 8 Million Tons of Grain--Converted to Paddy Equivalent"]

[Text] On 3 and 4 October 1985, the Ministry of Agriculture met in Hanoi with some related sectors and agricultural service directors from northern provices (from Nghe Tinh northward) to review results of the 1984-1985 winter-spring crop and discuss measures to overcome consequences of the recent floods and to accelerate the winter and 1985-1986 winter-spring crops.

Winter-spring crops in the past 5 years (1981-1985) have achieved fairly good results, especially rice, with later harvests already surpassing earlier ones. The 1984-1985 winter-spring crop was the biggest success in all three respects--sowed and transplanted area: 1,762,000 hectares, a 6.3 percent increase over the previous year; yield, 35.2 quintals per hectare, exceeding norms by 1.44 percent; and volume production exceeding norms by 1.3 percent. However, winter-spring subsidiary food crop production has not yet been truly stable. Although corn has achieved progress in both sowed and transplanted acreage and output, subsidiary food crop acreage has generally decreased; similar shrinkage has severely affected many industrial crops, especially sugarcane. Buffalo, cattle and pig raising still encounters difficulties. Rains, storms, flooding and waterlogging during the 10th month season heavily damaged a rather large rice area from Binh Tri Thien northward, causing a direct impact on grain supply in the coming months. The 1985-1986 winter-spring crop is important, particularly for the northern provinces, which are counting on it to make up for the 10th month crop losses. Plans for the coming winter-spring season include an increase of the sowed and transplanted area by 15 to 16 percent--including a 15 percent increase for rice and an 18 percent increase for subsidiary food crops--with a view to achieving 8 tonds of paddy and 900,000 tons of subsidiary food crops, converted to paddy (equivalent). These plans also call for sowing and transplanting 314,000 hectares of short-term industrial crops.

To properly carry out these plans, we must urgently consider ways to allocate appropriate crop varieties and create optimal conditions for the use of land, machinery and material and technical bases. Waterlogged areas should be delimited for drainage to meet the germination schedule. Besides expanding the winter crop area, we should plant companion crops as well as overlapping crops--those catch crops overlapping both the preceding and following ones--in order to increase the cultivated acreage. The localities should plant all subsidiary food crop varieties on all kinds of soil to ensure winter crop expansion. They should widely disseminate the method of potato planting by splitting the tuber open and cutting buds to get more sprouts and that of sowing corn in calabash areas for subsequent planting on wet soil, creating favorable conditions for the winter-spring season to attain the highest results in terms of acreage, yield and volume of production.

To that end, the sectors of agriculture, water conservancy, electricity and coal and the Chemical General Department should achieve close coordination.

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CSO: 4209/90

AGRICULTURE

HIGH-YIELD RICE VARIETIES IMPROVE FARMING

OW140837 Hanoi VNA in English 0708 GMT 14 Dec 85

[Text] Hanoi VNA 14 Dec -- The green revolution in the late 1960's brought to Vietnam news dwarf rice varieties which have short stems, give high yield but require much fertiliser. The most typical of them was ir8 (also called nong nghiep (agriculture) nn8).

The introduction of new rice varieties into Vietnam has had a great impact on the selection of rice strains and the restructuring of rice crops. On the basis of research on local rice strains and the nn8 in the early 1970's, most of the acreage under low-yield summer rice in northern provinces was planted with high-yield spring rice, thus turning the spring crop into the main one.

The nn8, originally resistant to high temperatures, if sown in the cold season will prolong its maturity period. In the spring crop, the nn8 can give 5-6 tons/ha on average on large areas and even 9-10 tons/ha on some fields.

In several spring crops, 50-60o/o of the cultivated land in northern provinces were put under the nn8 which has since been widely used.

New rice strains have been grown on ever larger areas, leading to changes of technical measures in sowing, tending, and fertilizing and in the fight against pests.

Many new rice varieties have been selected and put into large-scale cultivation, such as the nn7i-i, nn75-2, nn75-3 and "spring-2" which are sown in early spring and the short term nn75-6 and nn75-10 sown in late spring or in early autumn. These strains give 4-5 tons/ha on average and even 6-7 tons. Particularly, the "spring-2" can yield 6-7 tons/ha and sometimes more than 12 tons/ha if appropriate intensive farming methods are used.

Thanks to the import of good strains and the selection of local varieties, cr 203, which resists brown plant hoppers and c 22, which can tolerate drought, are widely grown in the north, while in the south, nn3a (also called ir36), nn6a, nn7a, nn4b and nn5b, all resistant to brown pest are planted. These strains yield 4-6 tons/ha, sometimes 7-8 tons and even more.

A number of other rice strains are under experiment while some others have been selected and proved themselves suited to local conditions such as 1548, 1555, v12, v13, x2 and cn2 sown in spring or autumn, u9, u14 grown in low-lying fields, and c10 and br-52 sown in mid-autumn, in southern provinces, ir 13246, om84 and om85 will be put into large-scale cultivation.

In southern provinces, the winter-spring crop and the summer autumn crop are mainly sown with new rice strains. In the Mekong Delta, part of the cultivated land is palted with high-yield rice strains such as nn4b (also called ir42), and nn5b (ir48) and the rest with local varieties which are affected by high degrees of acidity. In recent years realities have proved that some local rice strains can yield as much as 3.5-4 tons/ha and some others, 2.5 tons/h, in floating-rice areas.

Research is under way on rice strains and rice pest, which actively promote the selection of new strains and the creation of a suitable system of rice strains for each crop and each production zone.

The improvement of rice strains, a precondition of intensive farming, requires coordinated action from concerned offices at home and abroad.

Before 1975, rice yield in Vietnam varied around 2 tons/ha. In the last four years, annual average increase of rice yield was 7.3 percent and of rice output, 7.7 percent, which represent a rather high growth rate in comparison and with other developing countries.

It is estimated that nearly one million hectares of winter-spring rice in 1984-85 will yield 4-5 tons/ha. If investments in agriculture is raised appropriately, the new rice strains could give higher yields.

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CSO: 4209/163

AGRICULTURE

BRIEFS

BEN TRE FOOD PRODUCTION--Hanoi VNA 11 Dec--The Mekong Delta Province of Ben Tre fulfilled its 1985 food production plan, achieving an output of 500,000 tons and an average of 400 kilos per capita -- a twofold increase over the years right after the liberation. This has resulted from the stepped-up agricultural collectivisation and the application of intensive farming and scientific and technical production. Ben Tre has also reclaimed 24,000 hectares left untouched during the war years, bringing rice acreage from 104,200 hectares with an average yield of two tons per hectare in 1975 to 130,000 hectares with an average yield of 3.5 tons in 1985. Some districts in the province have obtained 12 tons per hectare. Besides, its area under high-yield rice strains has been expanded, which accounts for half of the total cultivated field in each crop. Particularly, Chau Thanh District has put all its fields under high-yield rice strains. Now, the province has steadily solved its food problem, meeting the need of more than 1,100,000 people in the province. In the Fourth Five-year plan (1986-90), Ben Tre plans to produce from 600,000-630,000 tons of food a year with an yield of 5.2 tons per hectare. [Text] [Hanoi VNA in English 0702 GMT 11 Dec 85 OW]

SUBSIDIARY FOOD CROP EXPANSION--In the suburban Hanoi districts, more than 18,000 hectares of rice were left unproductive by flooding and waterlogging damages. To cope with that situation, the Hanoi VCP committee and people's committee besides guiding peasants to save the remaining rice acreage and concentrate on intensive cultivation, have taken steps to rehabilitate production and make up for losses by expanding the winter crop areas. The city has guided the districts to expand grain areas under intense cultivation and increase corn, sweet potato and potato areas to nearly 15,000 hectares and vegetables to 3,000 hectares of various kinds. To help production installations achieve high yields through intensive cultivation, it has supplied nitrate fertilizer, in addition to stable manure, according to the following formula--260 kg, 100 kg and 250 kg of nitrate fertilizer to each hectare of corn, sweet potato and potato, respectively. Technical guidance has received adequate attention. At the beginning of the season, the agricultural service sent cadres to distructs to teach ways to sow corn in calabash areas, plant potato buds on wet soil and observe rules on planting density--for instance, from 1,800 to 2,000 plants per sao of corn. The minicipal supply sector has sent to districts nearly 3,000 tons of fertilizer to support the winter crop while the vegetable corporation has urgently supplied a great quantity of vegetable seeds to cooperatives located on the vegetable belt. [Text] [Hanoi NHAN DAN in Vietnamese 7 Oct 85 p 2] 9213/12980

CSO: 4209/90

HEAVY INDUSTRY AND CONSTRUCTION

BRIEFS

PHA LAI POWER STATION--Hanoi VNA 13 Dec--The third generator unit of the Pha Lai Thermal Power Electric Station was officially put into operation at 9:50 hours on Dec 12. The combined capacity of the three generator units already commissioned reaches 330 megawatts. Total designed capacity of this four-unit Soviet-equipped plant in Hai Hung Province, about 60 km east of Hanoi is 440 megawatts. [Text] [Hanoi VNA in English 0704 GMT 13 Dec 85 OW]

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CSO: 4209/163

POPULATION, CUSTOMS, AND CULTURE

BACKGROUND GIVEN ON MINORITY NATIONALITIES

BK141702 Hanoi VNA in English 1540 GMT 14 Dec 85

[Text] Hanoi VNA 14 Dec -- Vietnam has some 50 ethnic minority groupings accounting for 12 percent of the population, the largest group has about one million members and the smallest only less than one thousand.

The minority peoples inhabited thinly populated regions covering two-thirds of the total land area mostly in the mid-land and mountain regions along the borders with China, Laos and Kampuchea.

All nationalities have the right to elect their representatives to leading bodies of the state. The present National Assembly has 17 percent of its deputies of ethnic minority origin. The people's councils in the highlands are exclusively made up of members of local ethnic groupings. Two cabinet ministers, four vice ministers, eight presidents and 25 vice presidents of Provincial People's Committees, 102 presidents and 220 vice presidents of district People's Committees are members of ethnic minorities. In the past anti-U.S. resistance 44 heroes and heroines of the armed forces and thousands of merit workers are of ethnic minority origin.

The state has adopted and enforced many policies to develop the economy in the regions inhabited by ethnic minorities in order to help the latter step by step catch up with the general level of socio-economic development.

The socialist trade service has been extended to all mountain regions, helping to gradually do away with the centuries-old autarkical economy in these regions and promote economic exchanges throughout the country. [word or words indistinct] the general education system ramifies to every hamlet and village. The number of pre-university courses and vocational training schools for students of minority origin has increased continually. The ethnic minorities now have more than 60 (sixty) cadres of post-graduate degree over 12,000 university graduates and hundreds of thousands of technical workers. By the end of 1983, the eleven mountain provinces had 1,800 doctors, over 4,300 secondary-level physicians, nearly 440 pharmacists and tens of thousands of medical workers compared to only 51 doctors and 36 pharmacists for the whole of Vietnam before the August revolution in 1945.

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BIOGRAPHIC

INFORMATION ON VIETNAMESE PERSONALITIES

[The following information on Vietnamese personalities has been extracted from Vietnamese-language sources published in Hanoi, unless otherwise indicated. Asterisked job title indicates that this is the first known press reference to this individual functioning in this capacity.]

Lê Đức Bình [LEE DUWC BINHF]

Member of the Central Committee of the CPV; 1st Deputy Head of the Organization Department of the CPV Central Committee; on 16 Oct 85 he welcomed a delegation from Ethiopia visiting Vietnam. (HANOI MOI 17 Oct 85 p 1)

Lê Quang Chánh [LEE QUANG CHANHS]

Head of the International Department of the CPV Committee, Ho Chi Minh City; on 10 Oct 85 he welcomed an Indian Communist delegation at Tan Son Nhat Airport, Ho Chi Minh City. (HANOI MOI 11 Oct 85 p 1)

Lê Quang Chánh [LEE QUANG CHANHS]

Vice Chairman of the People's Committee, Ho Chi Minh City; recently he welcomed an Indian delegation visiting Vietnam from 25 Sep to 2 Oct 85. (NHAN DAN 3 Oct 85 p 1)

Nông Quốc Chấn [NOONG QUOOCS CHAANS]

Vice Minister of Culture; Vice Chairman of the Vietnam-Lao Friendship Association. From 31 Aug 85 to 12 Sep 85 he headed a Vietnam-Lao Friendship Association delegation to Laos for a conference on co-operation between the two countries. (QUAN DOI NHAN DAN 17 Sep 85 p 4)

Nghiêm Chưởng Châu [NGHIEEM CHUWOWNGR CHAAU]

Vice Chairman of the People's Committee, Hanoi; on 13 Oct 85 he was present at a marathon race ceremony organized the newspaper HANOI MOI. (HANOI MOI 15 Oct 85 p 4)

Lường Văn Chi [LUWOWNG VAWN CHI], Colonel, deceased

Born in 1931 at Dieu Luong Village, Cam Khe District, Vinh Phu Province; high ranking cadre of the People's Army of Vietnam; member of the CPV; he died following an illness on 2 Oct 85 at the 108th Military Hospital in Hanoi. Condolences were extended by the Supreme Military Organ of Control. (QUAN DOI NHAN DAN 3 Oct 85 p 4)

Ta Quang Chiến [TAJ QUANG CHIEENS]

Head of the Physical Education and Sports General Department; on 29 Sep 85 he spoke to the Physical Education and Sports Congress in Hanoi. (QUAN DOI NHAN DAN 30 Sep 85 p 1, 4)

Lê Chiêu [LEE CHIEEU], Major General

Curator of the VPA Museum; on 15 Oct 85 he welcomed a Czech Delegation visiting the museum. (HANOI MOI 16 Oct 85 p 4)

Lê Cù [LEE CUW], *Major General

His article on "party building" in TAP CHI QUAN DOI NHAN DAN, Oct issue, was announced in the cited source. (QUAN DOI NHAN DAN 3 Oct 85 p 2)

Huỳnh Cường [HUYNHF CUWOWNG]

Vice Chairman of the National Assembly; on 1 Oct 85 he left Vietnam with a delegation headed by the Chairman of the National Assembly, Nguyen Huu Tho, to visit Hungary, the CSSR and the GDR. (QUAN DOI NHAN DAN 2 Oct 85 p 1, 4

Trần Chí Cường [TRAANF CHIS CUWOWNGF], Major General

Deputy Director of the Rear Service General Department; on 30 Sep 85 he was present at a gathering for the Army Chief of Staff, Senior General Le Trong Tan, to meet the Army athletes participating in the national sports congress. (QUAN DOIN NHAN DAN 1 Oct 85 p 1, 4)

Nguyễn Trọng Dần [NGUYEENX TRONGJ DAANF], *Colonel

His article "Binh Tri Thien and Building National Defense at The Provincial Territory" in TAP CHI QUAN DOI NAHN DAN was announced in the cited source. (QUAN DOI NHAN DAN 3 Oct 85 p 2)

Dương Văn Dật [ZUWOWNG VAWN ZAATJ]

*Director of the Central Administrative School; recently he reported the training results of cadres at a conference in Ha Tuyen Province. (QUAN DOI NHAN DAN 22 Sep 85 p 1)

Phạm Thế Duyệt [PHAMJ THEES DUYEETJ]

Alternate member of the CPV Central Committee; Deputy Director and Secretary General of the Vietnam Confederation of Trade Unions; recently he was listed as a member of the funeral planning committee for the late Nguyen Duc Thuan. (QUAN DOI NHAN DAN 8 Oct 85 p 1)

Lê Quang Đạo [LEE QUANG DAOJ]

Secretary of the CPV Central Committee; on 1 Oct 85 he received a visiting delegation of the Worker's Party of Ethiopia. (QUAN DOI NHAN DAN 3 Oct 85 p 1)

Nguyễn Văn Đạo [NGUYEENX VAWN DAOJ]

Deputy Director and Secretary General of the Vietnam Institutes of Sciences; on 23-27 Sep 85 he headed a delegation to the 14th conference of academies of science in Poland. (QUAN DOI NHAN DAN 1 Oct 85 p 4)

Phan Minh Đạo [PHAN MINH DAOJ]

Vice Chairman of the People's Committee, Thuan Hai Province; recently he attended a meeting organized by Physical Education and Sports General Department. (THE DUC THE THAO 22 Oct 85 p 3)

Hoàng Minh Giám [HOANGF MINH GIAMS]

*Former Minister of Foreign Affairs; on 18 Sep 85 he attended a ceremony marking the 40th anniversary of the foreign Affairs Sector. (QUAN DOI NHAN DAN 19 Sep 85)

Nguyễn Văn Hạnh [NGUYEENX VAWN HANHJ]

Vice Minister of Education; on 26027 Sep 85 he attended the second National Youth Literature Conference in Hanoi. (QUAN DOI NHAN DAN 28 Sep 85 p 4)

Nguyễn Hoàn [NGUYEENX HOANF]

Vice Chairman of the People's Committee, Lam Dong Province; recently attended a meeting organized by Physical Education and Sports General Department. (THE DUC THE THAO 22 Oct 85 p 3)

Trần Quốc Hoàn [TRAANF QUOOCS HOANF]

Member of the CPV Central Committee; Head of the Proselytizing [and Front] Department of the Central Committee; on 25 Sep-2 Oct 85 he welcomed a visiting delegation of the Worker's Party of Ethiopia. (QUAN DOI NHAN DAN 3 Oct 85 p 1)

Trần Thị Nhị Hường [TRAANF TUIJ NHIJ HUWOWNGF]

President of the Agriculture University; member of the Culture and Education Committee of the National Assembly; on 1 Oct 85 she departed Vietnam with a delegation headed by the Chairman of the National Assembly, Nguyen Huu Tho, to visit Hungary, the CSSR and the GDR. (QUAN DOI NHAN DAN 2 Oct 85 p 1, 4)

Đinh Gia Khánh [DINH GIA KHANHS]

Vice Minister of Water Conservancy; Chairman of the Vietnam National Mekong Committee; on 7 Oct 85 he attended a meeting evaluating the Mekong River. (NHAN DAN 11 Oct 85 p 1)

Nguyễn Lam [NGUYEENX LAM]

Secretary of the CPV Central Committee; Head of the Central Committee of Economics [and Planning] Department; on 16 Oct 85 he attended the 30th anniversary of the State Planning Commission. (NHAN DAN 17 Oct 85 p 1)

Nguyễn Hồng Lĩnh [NGUYEENX HOONGF LINHX]

Editor-in-Chief of the Hanoi daily newspaper HANOI MOI; on 13 Oct 85 he inaugurated the marathon race organized by HANOI MOI. (HANOI MOI 15 Oct 85 p 4)

Trần Văn Loan [TRAANF VAWN LOANJ] *Lieutenant Colonel

He was commended for his unit's participation in the opening ceremony of the National Athletic Festival. (QUAN DOI NHAN DAN 18 Sep 85 p 4)

Đặng Đình Long [DAWNG DINHF LONG]

Deputy Chief of Cabinet in the Office of the Council of Ministers; on 4 Oct 85 he attended an award ceremony by the Cambodian Ambassador in Hanoi. (NHAN DAN 5 Oct 85 p 4)

Trần Đức Lương [TRAANF DUWCS LUWOWNG]

Alternate member of the CPV Central Committee; Chairman of the Technical and Science Committee of the National Assembly; on 1 Oct 85 he attended the departure of a delegation of the National Assembly leaving for a visit to Hungary, the CSSR and the GDR. (QUAN DOI NHAN DAN 2 Oct 85 p 1, 4)

Trần Đình Mai [TRAANF DINHF MAI], *Colonel

Chief of Department 1, Geology General Department; his article "The Geology Sector Combines Economics With National Defense" appeared in the cited source. (QUAN DOI NHAN DAN 4 Oct 85 p 3)

Hoàng Trường Minh [HOANGF TRUWOWNGF MINH]

Member of the CPV Central Committee; Chief of the Nationalities Department of the Central Committee; recently he attended a ceremony marking the 600th birthday of the national hero Le Loi in Hanoi. (QUAN DOI NHAN DAN 21 Sep 85 p 1, 4)

Thép Mới [THEPS MOWIS]

Deputy Editor-in-chief of the CPV daily newspaper NHAN DAN; on 14 and 15 Sep 85 he attended the conference sponsored by the newspaper L'HUMANITE in France. (QUAN DOI NHAN DAN 18 Sep 85 p 4)

Mai Văn Muôn [MAI VAWN MUOON]

Deputy Head of the Physical Education and Sports General Department [PESGD] on 29 Sep 85 he addressed the First Congress of the PESGD. (QUAN DOI NHAN DAN 30 Sep 85 p 1, 4)

Đào Huy Ngọc [DAOF HUY NGOCJ]

SRV Ambassador to Japan; on 25 Sep 85 he was presented a set of new books on history of Vietnam, written by Japanese professors, in Tokyo. (QUAN DOI NHAN DAN 1 Oct 85 p 4)

Vũ Oanh [VUX OANH]

Member of the CPV Central Committee; Chairman of the Vietnam Collective Farmers Federation; on 20 Sep 85 he attended a ceremony marking the 600th birthday of the national hero Le Loi in Hanoi. (QUAN DOI NHAN DAN 22 Sep 85 p 1, 4)

Bùi Thùng [BUIF PHUNGF]

Member of the CPV Central Committee; member of the Economic, Planning and Budget Committee of the National Assembly; on 1 Oct 85 he left Vietnam with a delegation headed by the Chairman of the National Assembly, Nguyen Huu Tho, to visit Hungary, the CSSR and the GDR. (QUAN DOI NHAN DAN 2 Oct 85 p 1, 4)

Trần Hồng Quân [TRAANF HOONGF QUAAN]

Vice Minister of Higher and Vocational Education; his article "Some Thoughts about the Scientific and Technological Work at Universities" appeared in the cited source. (DAI HOC VA TRUNG HOC CHUYEN NGHIEP Jul 85 pp 6-9)

Hoàng Quy [HOANGF QUY]

Member of the CPV Central Committee; Deputy Director of the State Planning Commission; recently he was named to be on the funeral planning committee for the late Nguyen Duc Thuan. (QUAN DOI NHAN DAN 8 Oct 85 p 1)

Võ Văn Sáng [VOX VAWN SANGS] "Lieutenant Colonel

Commander of the 40.A Recovery Group, 4th Military Region; he was commended for care of his patients. (QUAN DOI NHAN DAN 18 Sep 85 p 2)

Phạm Đinh Sáu [PHAMJ DINHF SAUS]

Chief of the Music and Dance Department [Ministry of Culture]; Member of the Secretariat of the Vietnam Musicians Association; recently he headed a delegation to Mongolia to attend the 7th Asian Music Festival. (QUAN DOI NHAN DAN 18 Sep 85 p 4)

Trần Văn Sớm [TRAANF VAWN SOWMS]

Member of the CPV Central Committee; Deputy Chief of the Internal Affairs Department of the Central Committee; recently he presides over a conference to organize an improved criminal affair policy. (QUAN DOI NHAN DAN 21 Sep 85 p 1)

Võ Văn Sung [VOX VAWN SUNG]

Assistant to the Minister of Foreign Affairs; on 4 Oct 85 he attended a reception given by the Czech Military Attache in Hanoi, marking the 41st anniversary of the People's Army of the CSSR. (QUAN DOI NHAN DAN 6 Oct 85 p 1)

Đào Văn Tập [DACF VAWN TAAPJ]

Chairman of the Economic, Planning and Budget Committee of the National Assembly; on 1 Oct 85 he attended the departure of a delegation of the National Assembly leaving for a visit to Hungary, the CSSR and the GDR. (QUAN DOI NHAN DAN 2 Oct 85 p 1, 4)

Trần Thị Thanh Thọ [TRAANF THIJ THANH THOJ]

Standing Member of the CPV Committee, Haiphong; Head of the Civil Proselytizing Department of the CPV Committee, Haiphong; on 2 Jun 85 she attended a meeting on the achievements of Haiphong. (Haiphong HAI PHONG 4 Jun 85 p 1)

Châu Tho Thông [CHAAU THOJ THOONG]

*Chairman of the International Department of the CPV, Hanoi Municipality; on 13 Oct 85 we welcomed a Czech delegation to Hanoi. (HANOI MOI 15 Oct 85 p 1)

**Nguyễn Đức Thuần [NGUYEENX DUWCS THUAANJ) Aka Bui Phong Tu (BUIF PHONG TUW)*
deceased**

Member of the CPV Central Committee; Member of the Council of State; Member of the Presidium of the Vietnam Fatherland Front; President of the Vietnam Confederation of Trade Unions; Member of the Standing Committee of the World Federation of Trade Unions; he died on 4th Oct 85 of old age and illness (NHAN DAN 8 Oct 85 p 1)

Note: *LAO DONG No 41. 10 Oct 85 p 1

Nguyễn Sỹ Thư [NGUYEENX SIX THUW]

Vice Chairman of the People's Committee, Hai Hung Province; recently he attended a meeting organized by the Physical Education and Sports General Department. (THE DUC THE THAO 22 Oct 85 p 3)

Lê Quý Thức [LEE QUYS THUWCS] *Colonel

Chief of the Map Department; on 24 Sep 85 he attended a meeting marking the 40th anniversary of the department. (QUAN DOI NHAN DAN 26 Sep 85 p 1)

Nguyễn Phúc Thức [NGUYEENX PHUCS THUWCS] *Colonel

His article "National Defense Planning for the District" in TAP CHI QUAN DOI NHAN DAN was announced in the cited source. (QUAN DOI NHAN DAN 3 Oct 85 p 2)

Nguyễn Ngọc Tiên [NGUYEENX NGOCJ TIEEN] Colonel, deceased

Born in 1931 at Hai Anh Village, Hai Hau District, Ha Nam Ninh Province; Senior Cadre of the Ho Chi Minh Mausoleum's Command; member of the CPV; he died following an illness on 19 Sep 85 at the 108th Military Hospital. (QUAN DOI NHAN DAN 19 Sep 85 p 4)

Nguyễn Văn Tiến [NGUYEENX VAWN TIEENS]

Vice Chairman of the Foreign Relation Committee of the National Assembly; on 10-15 Aug 85 he headed a National Assembly delegation in a conference with a visiting French National Assembly Delegation. (QUAN DOI NHAN DAN 18 Sep 85 p 1)

Phạm Thế Toản [PHAMJ THEES TOANR] Colonel, deceased

Born in 1926 at Kha Phong Village, Kim Bang District, Ha Nam Ninh Province; former Deputy Chief (Political), of the Artillery Officer School, Artillery Branch; member of the CPV; he died following an illness on 22 Sep 85 at the 108th Military Hospital. (QUAN DOI NHAN DAN 24 Sep 85 p 4)

Trần Trung [TRAANF TRUNG]

SRV Ambassador to Mongolia; recently he accompanied Political Union Member Van Tien Dung who was visiting Mongolia. (QUAN DOI NHAN DAN 23 Sep 85 p 1, 4)

Hà Xuân Trường [HAF XUAAN TRUWOWNGF]

Alternate Member of the CPV Central Committee; Chairman of the Central Committee Culture Department; on 26-27 Sep he attended the second national youth literature conference in Hanoi. (QUAN DOI NHAN DAN 28 Sep 85 p 4)

Trần Văn Tuấn [TRAANF VAWN TUAANS]

*Secretary of the Executive Committee of the Ho Chi Minh Communist Youth Union, Hanoi; he was elected to this position at a meeting of the Union on 9+10 Oct 85. (HANOI MOI 11 Oct 85 p 1)

Đào Duy Tùng [DAOF ZUY TUNGF]

Member of the CPV Central Committee; Head of the Central Committee Propaganda and Training Department; on 19-28 Sep 85 he received a Cuban lecturer visiting Vietnam. (QUAN DOI NHAN DAN 3 Oct 85 p 1)

Vương Dương Tường [VUWOWNG ZUWOWNG TUWOWNGF]

Member of the CPV Central Committee; Secretary of the Provincial CPV Committee, Cao Bang Province; on 3 Oct 85 he spoke at a ceremony marking the 35th anniversary of the liberation of his province. (QUAN DOI NHAN DAN 4 Oct 85 p 1, 4)

Phan Văn [PHAN VAWN]

*Chairman of the People's Committee, Tay Ninh Province; his article "The importance of Coordination Between the People's Committee and the Fatherland Front Committee in Tay Ninh" appeared in the cited source. (HANOI DAI DOAN KET 25 Sep 85 p 2)

Phạm Đức Vương [PHAMJ DUWCS VUWOWNGJ], Colonel

His article "Strengthen Law, Heighten Discipline To Prevent Crime" appeared in the cited source. (TAP CHI QUAN DOI NHAN DAN Aug 85 pp 54-61)

Nguyễn Xiển [NGUYEENX XIEENR]

Secretary General of the Socialist Party of Vietnam; recently he attended a ceremony marking the 600th birthday of the national hero Le Loi, in Hanoi. (QUAN DOI NHAN DAN 21 Sep 85 p 1, 4)

Đặng Hồi Xuân [DAWNGJ HOOIF XUAAN]

Minister of Public Health; on 1 Oct 85 he attended the departure of a delegation of the National Assembly, leaving to visit Hungary, the CSSR and the GDR. (QUAN DOI NHAN DAN 2 Oct 85 p 1, 4)

Nghiêm Xuân Yêm [NGHIEEM XUAAN YEEM]

Secretary General of the Democratic Party of Vietnam; recently he attended a ceremony marking the 600th birthday of the national hero Le Loi in Hanoi. (QUAN DOI NHAN DAN 21 Sep 85 p 1, 4)

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13 January 1986

Southeast Asia Report

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CANBERRA REPORTS IMPROVEMENT IN TRADE FIGURES FOR NOV

HK111148 Hong Kong AFP in English 0959 GMT 11 Dec 85

[Text] Canberra, Dec 11 (AFP)--Australia's trade figures improved markedly last month with a slight trade surplus and a fall in the invisible deficit, according to Australian Bureau of Statistics figures issued here today.

The more favourable results had an immediate impact on foreign exchange markets, the Australian dollar hardening in trading on news of the announcement.

Exports rose by seven percent and imports fell by 12 percent for a trade surplus of 20 million Australian dollars (13.6 million U.S.)--a big improvement on October's record deficit.

The Australian dollar rose to 68.25-68.40 U.S. cents five minutes after the release of the trade figures, having been sold down to 67.50 in the half-hour preceding the release.

Part of the improvement on last month's record deficit was seasonal, interest payments on overseas borrowings and payments of aid dropping sharply because they are not due in November.

In seasonally adjusted terms a deficit was 172 million dollars (nearly 117 million U.S.) was recorded.

The deficit on the current account of the balance of payments, at 758 million dollars (515 million U.S.) was less than half the deficit for the previous month and the lowest since April.

Political analysts said the results were encouraging news for the government after the record deficit in October, but did not yet represent an established trend in the wake of the declining value of the Australian dollar.

Meanwhile, deputy opposition leader Neil Brown said that a member of Treasurer Paul Keating's office had leaked in advance today's comparatively favorable balance-of-payments figures.

Mr Brown said he understood that the figure used by the treasurer's adviser at a luncheon in Sydney had been close to the final outcome of a deficit of

758 million--well below market expectations of 1000-1200 million dollars (680-816 million U.S.).

He said this was the second occasion when information about the balance of payments had reached the market before an official announcement had been made.

Mr Brown said that Mr Keating should explain how a member of his staff was in a position to make such a statement.

The Australian dollar firmed on domestic financial markets yesterday afternoon on rumours that the deficit for November would be down to about 800 million Australian dollars (nearly 545 million U.S.) after the October deficit.

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CSO: 4200/414

AUSTRALIA

RESUMPTION OF BANK OF CHINA OPERATIONS REPORTED

HK170434 Hong Kong AFP in English 0310 GMT 17 Dec 85

[Text] Sydney, Australia, Dec 17 (AFP)--The Bank of China has resumed operating in Australia as a fully licensed trading bank with the major objective of promoting Sino-Australian trade, currently running close to one billion U.S. dollars a year.

The general manager of the bank's Sydney branch is Chen Zhentai, a former central banker with the People's Bank of China, who since 1972 has been with Bank of China, the country's main foreign exchange bank, at its head office in Beijing and its branch in London.

Sino-Australian trade has grown steadily since relations were established between the two countries in 1972. Australian exports to China climbed to more than 700 million U.S. dollars in the year to June while imports of Chinese goods rose to 240 million U.S. dollars.

The bank in an announcement here yesterday said that it also intends to promote economic and technological exchanges between the two countries as well as servicing Australia's large population of ethnic Chinese.

It plans to offer a full range of banking services, including cheque accounts, remittances, trade finance, personal loans, import and export bills, foreign exchange, current and time deposits, overdraft facilities, housing loans, letters of credit and collections.

"Also on the list are advisory and consultancy for China-related trade, investments and joint ventures," the bank said.

The Bank of China's involvement with Australia had been fairly insignificant until this year when it joined a small group of major international banks in Hong Kong to underwrite a borrowing denominated in European Currency Units (ECU) by Australia's primary industry bank.

The underwriting commitment was the Bank of China's first to an Australian borrower and its first participation in an ECU loan.

As a branch of the bank's head office in Beijing, the Bank of China will have a distinct advantage over the 16 new foreign banks--including Hong Kong and Shanghai Banking Corp.--invited in February to apply for Australian banking authority but which are required to incorporate local subsidiaries.

Only two other foreign banks in Australia, Banque Nationale de Paris and the Bank of New Zealand, enjoy similar branch status.

The Australian Government initially granted the bank authority to do business in 1941, but following the communist victory in 1949 the Sydney branch decided to sever relations with Beijing in favour of Taiwan.

The branch of Australia was renamed the International Commercial Bank of China and traded under this name until 1972, when Prime Minister Gough Whitlam's Labor government came to power.

One of the government's first steps was to recognise China and sever relations with Taiwan, causing the licence to be revoked.

The Chinese Government argued that the Bank of China was a special case warranting separate consideration by the Australian Government in the granting of new foreign bank licences.

Prime Minister Bob Hawke subsequently presented the banking authority to General-Secretary of the Chinese Communist Party Gu Yaobang during the latter's official visit to Australia this year.

In re-establishing its operations in Australia, the Bank of China adds Sydney to an expanding international network comprising branches in Hong Kong, London, New York, Singapore, and Luxembourg.

The bank also has representative offices in Tokyo and Paris.

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CSO: 4200/414

GREENPEACE TO CONTINUE WITH ANTARCTIC EXPEDITION

HK111402 Hong Kong AFP in English 1326 GMT 11 Dec 85

[Text] Sydney, Australia, Dec 11 (AFP)--Greenpeace is determined to go ahead with its planned Antarctic expedition despite an alleged attempt to sabotage the mission, a Greenpeace spokesman said here today.

The converted tug "Greenpeace" is due to leave next week with a crew of 35 for the New Zealand-controlled ross dependency in Antarctica to declare the continent a world park and to establish the first non-governmental scientific base there at a cost of 850,000 U.S. dollars.

The project, the most expensive undertaken so far by the environmental group, is to proceed despite an attempt to sabotage the generator of the vessel in the Sydney Harbour, Greenpeace coordinator Peter Wilkinson said here today.

The international organisation's announcement of the sabotage attempt aboard the Greenpeace tug comes five months after the bombing of another Greenpeace ship, the Rainbow Warrior, in Auckland Harbour by French Secret Service agents.

Mr Wilkinson said an engineer noticed late yesterday during a routine operation that oil had been drained from a sump and wires had been removed from the generator.

"It is clear that this sabotage operation, which took only a few minutes, occurred last weekend when the boat was open to the public. What is less clear is the motive of such an act," he told AGENCE FRANCE-PRESSE.

"Only quick action by the engineer prevented the generator burning itself out. This sabotage could have led to the abortion of the whole campaign," he added.

Mr Wilkinson refused to say who might have been behind this second sabotage attempt: "We really can't speculate and it is very hard to say who could have done such a thing. It was either someone very determined or very stupid."

More than 2,000 people visited the ship last weekend, and the inquiry is in the hands of the police, he said, adding that no security was enforced during the two weeks the ship had been moored in Sydney Harbour while taking on supplies for its Antarctica trip.

Mr Wilkinson said the sabotage happened "at a very bad time, when every crewmen is under pressure, only a few days" away from their departure for Antarctica.

Australian Science Minister Barry Jones made a personal plea last week to call off the voyage, saying that the crew and the 887-tonne tug were not really prepared for the rugged conditions they might encounter in Antarctica.

Greenpeace said it would ignore the minister's plea and go ahead with the expedition.

Mr Wilkinson said today that the generator could be repaired and the incident would not cause any delay. The ship is due to leave on its three-month trip to the southernmost continent on December 18 as scheduled.

/7358
CSO: 4200/414

INDONESIA

MOKHTAR VIEWS ASEAN SUMMIT, TALKS WITH SRV

BK120919 Jakarta SINAR HARAPAN in Indonesian 5 Dec 85 pp 1, 12.

[Text] Foreign Minister Mokhtar Kusumaatmaja has responded without great enthusiasm to a news report from Chiang Mai, a northern tourist resort in Thailand, on the possibility of holding an ASEAN summit meeting. Mokhtar said that the nature of the next ASEAN summit meeting will be ceremonial in nature during the 20th anniversary of the regional grouping's establishment on 8 August 1987. Speaking to reporters at the parliament building on Wednesday [4 December], Mokhtar said the second reason for holding an ASEAN summit meeting is when there are important issues, which have to be discussed by the leaders of the member countries.

"Do you think there are such important issue?" asked the reports. "What can I say. I have to ask the president first." Mokhtar replied.

What was reported by foreign news agencies from Chiang Mai on ASEAN senior officials' recommendation to hold an ASEAN summit meeting was in fact a casual discussion among these officials, who were hold a meeting there. Therefore, it was not the outcome of their meeting, which was turned into a recommendation.

Thailand appears to be eager to host an ASEAN summit meeting even though, according to the alphabetical order, it is the Philippines' turn to do it after Malaysia in 1976.

During the news conference on Wednesday, Mokhtar did not clearly confirm what Thai Foreign Minister Sitthi Sawetsila had said that the Indonesian foreign minister would be going to Hanoi as an emissary to present the ASEAN proximity talks proposal to the SRV Government.

Mokhtar added that earlier there was such a plan, but then there was a suggestion to hold a meeting among ASEAN working group [two preceding words in English] first to discuss ASEAN's next move in its effort to seek a peaceful solution to the Cambodian conflict. He also stressed that he preferred to hold bilateral meetings with Vietnam and include the Cambodian issue during such talks.

/6662
CSO: 4213/51

MOKHTAR HOPES FOR VETO OF U.S. BILL LIMITING IMPORTS

BK130943 Jakarta Domestic Service in Indonesian 0700 GMT 13 Dec 85

[Text] Foreign Minister Mokhtar Kusumaatmaja has said that if the United States' bill on the limitation of imports of textile and other items becomes law, Indonesia will be directly affected. A total of two million Indonesian textile workers will be unemployed, which in turn will affect political stability as well as create a negative impression of the United States.

Speaking in Nusa Dua Bali on Thursday [12 December] on the issue of bilateral relations with the United States, Mokhtar expressed the hope that the United States administration will veto the bill. The Indonesian foreign minister considers that politically, Indonesia's relations with the United States are good, and there is apparent mutual understanding in dialogues that continue to grow between both countries. Mokhtar admits that although the viewpoints of the two countries differ, still, in facing problems in connection with various matters, bilateral relations are necessary for the sake of common interest.

It is hoped that the United States can agree with the convention of the Law of the Sea and does not have the intention of exploiting the continental shelf's resources only. Indonesia hopes that in the future, the United States will reconsider its position on the Law of the Sea Convention and accept the convention as a global and legal framework for cooperation in solving maritime problems.

Mokhtar also expressed appreciation for the United States' support for ASEAN's efforts to solve the Cambodian conflict.

On economic relations between the two countries, Mokhtar said that Indonesia is the traditional market for the United States' products.

/6662
CSO: 4213/51

INDONESIA

BRIEFS

FIVE AMBASSADORIAL APPOINTMENTS--President Suharto installed five new Indonesian ambassadors at the State Palace, Jakarta, on 10 December. They are Suhartoyo to be accredited to the United Kingdom; Air Force Major General Aried Riyadi to be accredited to Thailand; Adiwoso Abubakar to be accredited to Canada; Retired Maj Gen Aang Kunaefi to be accredited to Saudi Arabia; and Muhammad Hasan Adani to be accredited to Senegal and Gabon. [Summary] [Jakarta Domestic Service in Indonesian 0600 GMT 10 Dec 85 BK] /6662

NEW TRADE UNION CHIEF--Manpower Minister Sudomo closed the 2d National Congress of the All Indonesian Labor Federation in Jakarta on 30 November. The congress decided to rename the labor federation as the Indonesian Trade Union Confederation and appointed Yohanes Imam Sudarwo as its new general chairman. [Summary] [Jakarta MERDEKA in Indonesian 2 Dec 85 pp 1, 11 BK] /6662

CSO: 4213/51

ROMANIAN OFFICIAL GREETS KAYSONE IN VIENTIANE MEETING

AU062023 Bucharest AGERPRES in English 1736 GMT 6 Dec 85

[Text] Vientiane AGERPRES 6/12/1985--A message of salute and best wishes of personal happiness and good health was conveyed to Kayson Phomvihan, secretary general of the Lao People's Revolutionary Party, as well as wishes of prosperity and fresh successes to the friendly Lao people in behalf of Nicolae Ceausescu, general secretary of the Romanian Communist Party, as well as wishes of prosperity and fresh successes to the friendly Lao people in behalf of Nicolae Ceausescu, general secretary of the Romanian Communist Party.

Thanking for the message, Kayson Phomvihan requested that Nicolae Ceausescu be conveyed a warm friendly salute and best wishes of good health and personal happiness, of progress and welfare to the friendly Romanian people.

The exchange of messages was made during the call paid on Kayson Phomvihan by the Romanian party and state delegation headed by Ludovic Fazekas, member of the Executive Political Committee of the CC of the RCP, first deputy prime minister, who attended the festivities marking the tenth anniversary of proclamation of the Lao People's Democratic Republic.

During the interview both parties' wish was expressed that the relation of friendship and cooperation between Romania and Laos should be strengthened and deepened further, in the interests of the peoples in the two countries, of the cause of peace and understanding the world over.

/7358
CSO: 4200/416

SOUPHANOUVONG SPEECH ON SRV NATIONAL DAY

Vientiane PASASON in Lao 3 Sep 85 pp 2-4

[Speech by Mr Souphanouvong, Chairman of the Lao Patriotic Front Central Committee, at the Mass Meeting for the 40th Anniversary of the Vietnamese August Revolution and National Day on 2 September]

[Text] My respects to the Buddhist clergy, respected and beloved Vietnamese guests, and gentlemen.

Today I am most happy to have the opportunity to address scholars, intellectuals, and monks and novices from the seven districts in Vientiane Capital and the cadres of the three offices that implement political ideology and mobilize the people to carry out the plans and policies of the party and government on the occasion of the celebration of the 40th anniversary of the Vietnamese people's August Revolution and National Day on 2 September.

Forty years before the successful August Revolution, the great Ho Chi Minh gloriously declared the independence of heroic Vietnam on 2 September 1945 at historic (Ba Dinh Ground) where there were nearly a million Vietnamese. Since that time Vietnam has entered a new era, an era of independence, freedom, and socialism. The Socialist Revolution in Vietnam was born, and Vietnam became the first socialist state in Southeast Asia.

Chairman Ho Chi Minh emphasized the significance of Vietnam's August Revolution. "It is not only the Vietnamese workers and the Vietnamese people who are proud of the August Revolution, but also the working people and other nations that are being exploited who are joyful and proud, because this was the first time in the history of the colonies and [semi-feudal] nations that there was a successful national democratic revolution in this region of the world. It also showed that a political party only 15 years old was able to lead the revolution, liberate the country, and gloriously seize power nationwide."

When we recall the Vietnamese people's glorious and persistent heritage, we also recall the excellent lessons of the past, the decisive character of Vietnam toward the seizing of power after the surrender of the Hitlerite fascists and Japanese warlords to the Soviet Union and the progressive forces in the world.

The August Revolution of Vietnam in 1945 was an example of a national democratic revolution in the colonies and semifeudal nations in which the working class led, dismantled, and smashed the chain of administrative power of the French colonialists which had dragged on for almost 100 years. The feudalism which had ruled Vietnam for almost 1,000 years was also overthrown.

From August to October 1945, in Laos it was a favorable time because of the surrender of the Japanese fascists to the Soviet Army and the uprising to seize power in Vietnam in August which launched the Lao Revolutionary movement. The Lao party committee led the Lao people in seizing power in a timely manner, wiped out the puppet administrative power, and set up the people's administrative committees in Vientiane Capital and in other districts. They also set up an independent Lao government and declared independence on 12 October 1945.

In order to welcome the 40th anniversary of the SRV, we should recall the history of the national democratic revolutions of Laos and Vietnam, which were closely related, and which struggled together to achieve ceaseless victory. The historic lessons we learn are the following.

Since the day it was established in the fall of 1945, the Vietnamese government has confirmed its rights of national independence and self-mastery of the working people. The August Revolution was a great leap. It symbolized a tremendous change that had never before occurred in the history of Vietnam.

Under the brilliant military policies of the party and the people's policies on war, the fraternal Vietnamese people performed their excellent heroic deeds by defeating all the imperialists who dared to invade Vietnam, from the Japanese warlords to the French colonialists and American imperialists. A first step was the victory they gained over the Chinese expansionists and hegemonists.

From its partition until the long and fierce war and the return to independence nationwide, Vietnam has always been an independent and unified nation. It is a great independent family from the north to the south. The population of Vietnam is almost 60 million, ranking 13th in the world. The Vietnamese people are now strongly promoting their collective mastery over a large geographic area, ranking 55th in size among the nations of the world.

Although its achievements in materials and technical base construction are few, they are the foundation and scions of the socialist economy. Their victory was a beginning of the socialist revolution, a period of advancing toward socialism and a period of carrying out the historic duty of the state by the dictatorship of the proletariat.

There was a ceaseless advance in the construction of the socialist state set up by the working people for the people, and the heightening of power by the government.

After the spring of 1975 South Vietnam succeeded in carrying out its national democratic revolution. The Vietnamese people throughout the country advanced toward socialism, and the working people became the true owners of the country.

The reputation and influence of Vietnam has spread throughout the world. The colonialists and imperialists of the old days and the Chinese expansionists and hegemonists at the present time all have the same wish, that of erasing Vietnam from the map of the world.

Now the two names of Vietnam and Ho Chi Minh have become known to people throughout the world. Vietnam has relations with 112 nations throughout the world on five continents and is a member of many international organizations.

The Vietnamese people have always obtained moral support from the communist parties, worker organizations, and the peace-loving peoples throughout the world. The Vietnamese people have fulfilled their lofty international obligations toward the struggle of the people of the world as a whole and have honorably participated in reviving solidarity with our fraternal parties based on Marxism-Leninism and proletarian internationalism.

The basic factors that decide all the historic victories of Vietnam are the construction and leadership of the party which is a party of the new proletarian class, a party that firmly grasps the victorious flag of Marxism-Leninism. It is a party of the proletarian class that represents the rights, interests, and true hopes of the working class, the working people, and the whole nation. It is a Marxist-Leninist party that is strongly organized with a heritage of solidarity and that is always closely related to the masses.

Beloved comrades and friends. As you already know, after the historic victory of Dien Bien Phu on 20 September 1945, the French were willing to sign the Geneva accord concerning Indochina. They recognized the independence, sovereignty, and integrity of the three countries of Vietnam, Laos, and Cambodia.

However, the ink from signing the agreement had not yet dried when the United States, seeking every way possible to dismantle the agreement, jumped in to take the place of the French in South Vietnam, creating a very long and terrible war of aggression against Vietnam. Vietnam in particular and Indochina in general have entered a new situation.

1. The Vietnamese people's struggle against the American imperialists was not accidental but a true confrontation in history, because Vietnam has become a center of serious dispute between the revolutionary and counterrevolutionary forces in Asia and the world.

According to the U.S. Secretary of State Dulles, "If Indochina falls, then our relations with [the nations] in Asia might be affected." Thus, the United States picked Vietnam as a battle center.

2. We dismantled the U.S. in four strategic wars.

The American imperialists used the Ngo Dinh Diem traitors to create a "regional war" against the Vietnamese people. They bloodily suppressed the Vietnamese people's revolution.

The more the enemies suppressed it, the more the uprising of the Vietnamese people increased. Because of the implementation of the plenum of the 15th congress of the party Central Committee along with the political forces and the people's uprising forces, from the end of 1959 to early 1960 the people of South Vietnam basically dismantled the pressure of the enemies' forces and gained a position as a driving force in the rural areas. As a result, the U.S. regional war was destroyed.

In 1961, after Kennedy became president, he hoped to regain their losses and their dilapidated henchmen. They adopted a "special war" strategy and brought in many U.S. military officers and war vehicles to help the Ngo Dinh Diem puppets. They fought on battlefields to annihilate the revolutionary forces completely. However, their strategy was defeated by the Vietnamese People's Revolutionary Army, and the enemies were forced to fall back to a defensive position.

The special war was defeated. The United States used its henchmen to kill Ngo Dinh Diem and his men with no regrets.

In 1965, President Johnson recreated a "regional war" by transporting 6 million soldiers to South Vietnam and conducting a war against North Vietnam, hoping to eliminate the support of the rear to the front lines.

There were 665,000 U.S. soldiers in the war, and 550,000 of them were stationed in Vietnam. There were 1.1 million people if we count the puppets and their henchmen. The U.S. Air Force used 1,400 aircraft of various kinds, 50 percent of which were B52 bombers. On the seas the United States deployed the 7th Fleet, which was their strong navy fleet with 7 of 14 aircraft carriers. As far as the use of war vehicles is concerned, the United States used all kinds of weapons in the war against Vietnam, including weapons which had not been used in previous wars. The United States dropped only 2 million tons of bombs in Europe and North Africa during WW I, but in Vietnam the incomplete figure was 14.5 million tons, equal to 425 hydrogen bombs of the kind it used to bomb Hiroshima in Japan in August 1945.

The United States thought it would be superior with these great forces. In 1966 Nixon said that victory over the communist forces in Vietnam was certain, and that it was only a matter of time before they would be annihilated. However, with the strong fighting spirit and persistence of the Vietnamese people, in only a 4-year period the army and the people in the northern region shot down 3,000 U.S. planes, and destroyed and sunk 150 U.S. ships in South Vietnam. Both of the enemies' attacks in the fall of 1965-66 and in the fall of 1966-67 were defeated. The uprising and the attack of the Vietnamese people in the spring of 1968 blocked the intentions of an invasion by the American imperialists.

Because of its serious defeat, the United States had to de-escalate the war, and it announced a slowdown in the bombing of North Vietnam (in March 1968). In November of 1968, the United States announced the unconditional cessation of bombing against North Vietnam and withdrew its troops. The war on the part of the United States was totally defeated.

However, because of his stubborn and war-hungry revolutionary nature, in 1969 Nixon adopted a strategy of "making the war a war of the Vietnamese people." By this strategy the United States helped to strengthen the Saigon power-holding puppets in order to suppress the revolutionary forces in the south. Troop withdrawals were carried out little by little. The scheme was carried out in the area under their temporary control. In March of 1970, they conducted a coup in Phnom Penh and brought the war into Cambodia. In January 1971, they moved their armies along Route 9 in southern Laos, hoping to cut off the assistance of the north to the south. The fierce fighting, e.g., the fight to liberate Route 9 by the armies and the Lao and Vietnamese people, was a serious hammer strike against the strategy of turning the war into a war of the Vietnamese people themselves. Later in 1972 there were large-scale attacks by the South Vietnamese Liberation Army. They dismantled many enemy strongholds, annihilated many of their battalions, and liberated many areas. The strategy of turning the war into a war of the Vietnamese people was disrupted, especially the dismantling of the big U.S. air operation of B52's from attacking Hanoi Capital and Hao Fong City at the end of December 1972.

The more the enemies attacked, the more they were defeated, and their new attacks were defeated even more than before. After five presidential terms and four U.S. strategic wars, they were unable to prevent their loss. Finally, on 27 January 1973 the United States had to bow its head to sign an agreement in Paris to guarantee the withdrawal of their troops and henchmen back to their own countries.

3. When the Americans fled, the puppets trembled. The Paris agreement on Vietnam has become a political foundation and a condition to facilitate the army and the Vietnamese people in fulfilling their democratic nation everywhere.

By firmly grasping and taking advantage of the time when the enemies were weakening, the Communist Party Central Committee Politburo of Vietnam ordered the opening of heavy attacks on the enemies in order to liberate the whole of South Vietnam and to defeat thoroughly the entire neocolonial war of the American imperialists by attacks and uprisings in the spring of 1975.

That glorious victory was the mark of a successful national democratic revolution nationwide. It opened a new year, a year of a peaceful and independent Vietnam, and one to lead gracefully the country to socialism.

The triumph over the American imperialists by the army and the Vietnamese people was an all-round victory in the life-and-death struggle to see who would win in the struggle between national independence and imperialism. It was the first time that the Vietnamese people had completely wiped out the invaders from their country and obtained a complete right of ownership over their own nation. The Vietnamese people have together advanced to an era of defending and constructing their socialist nation to be strong and prosperous and have participated in international obligations.

It was a victory that was characteristic of the time. It was an important contribution of the Vietnamese revolution to the world revolution.

The victory of the Vietnamese people was proof to us that U.S. power was crumbling. Vietnam struck hard against the neocolonialism of the American imperialists and caused the colonial nations under the imperialists to rise up and liberate themselves from imperialist colonialism.

It has been 10 years since the United States was defeated in the Vietnam war of aggression, but the pain and traces of the war still cling to the memory of the American people and the American power-holding cliques. Its effects remain over the whole United States. For example, it had a serious effect on the economy, because in the Vietnam war the United States spent a budget of approximately 600 billion to 1 trillion dollars [as published].

After the Vietnam war, the U.S. power-holding cliques had to review 1) the economic aspect in which, first of all, the economic base destroyed in the Vietnam war had to be revived and normalized.

In 4 years of the Reagan presidency the budget deficit has been 185 billion dollars per year on the average, and unemployment is still 9 percent. In the United States unemployment normally used to be as high as 10 million, and inflation is still continuing.

Because of the deterioration of the military situation after the Vietnam war, Reagan has been increasing the defense budget each year. In 1984, the U.S. defense budget was 237,548,000,000 dollars, and was increased to 272,040,000,000 dollars. Since then, Reagan has set the rate of increase at 8.5 percent yearly.

After the Vietnam war, each U.S. administration has quickly revived and increased the military forces. Reagan is pushing the United States into the arms race in order to risk gaining a good military position and to produce strategic military weapons. They estimate that by the late 1980's and early 1990's they will be able to produce 400 B1B planes to replace the B52 and 200 MX missiles and 40 Trident II submarines deploying strategic missiles. For the Navy alone, in the approaching 1990's, air missiles and [cruise missiles] will be sufficiently deployed.

Now the Reagan administration is putting military projects in space with the aim of provoking "star wars." The Vietnam war created a moral crisis for the American people toward the administration. From the Carter to the Reagan administrations, they all worked for peace in politics which meant, first of all, renewing confidence, solidarity, and unity within their groups toward the administration. After the Vietnam war, the American imperialists could not raise their banners against communism. The American people understand clearly about communists and communist power. Following the Vietnam war, an antiwar movement was formed which strongly, extensively, and fiercely demanded peace in the United States and in the world as well.

As many as 6 million U.S. soldiers fought in Vietnam, including the Army, Navy, Air Force, and [Marines].

From 1965 to 1972, the U.S. economy declined to the level of the past 25 years.

The United States spent from 676 billion to 1 trillion dollars [as published] in the war of aggression in Vietnam.

During this period, the U.S. government was in debt by as much as 444 billion dollars and had a deficit of 85 billion dollars.

Each year the U.S. dollar decreases in the world market, e.g., 25 percent in 1970, 40 percent in 1971, 60 percent in 1972, 120 percent in 1973, and 170 percent in 1974.

Respected and beloved people. We will now examine the national construction and national defense of socialist countries in the past 10-year period. What victories have the Vietnamese people gained?

During the past 10-year period of gathering together in a unified fashion under the brilliant leadership of the Vietnamese Communist Party with the respected and beloved Comrade Le Duan as general secretary, our fraternal SRV has firmly obtained the following all-round results.

I. Achievements in socialist transformation

1. In the northern part of the SRV in 1970, farmers basically joined agricultural co-ops, and 729 capitalist families awakened and volunteered to walk on the path of socialist collective living.

In 1975, North Vietnam had 97.4 percent high-level agricultural co-ops of the total number of agricultural co-ops, and 99 percent of the production equipment and property belonged to the co-ops.

2. In South Vietnam in 1980, different provinces along the coast have basically succeeded in organizing agricultural co-ops and in mobilizing 90 percent of the farmers into the collective style of living.

From 1975 to 1976, the government transferred 1,400 of the capitalists' private trades and organized them into 582 enterprises with 130,000 workers.

From 1977 to 1978, 490 companies joined their shares with the government and 213 companies were appropriately modified.

In 1979, the government abolished 54 private companies that produced items of everyday use and organized them into 40 state-owned companies with 3,000 workers.

Moreover, 100 agriculture units have been organized on the basis of lumber and construction material production and tree cutting.

In 1984, throughout the SRV there were already 3,800 handicraft co-op units and 9,700 industrial production co-op units. There are 1.5 million workers which make up 70 percent of the production forces.

II. Material and technical base construction

1. Agriculture. In 1980, 1 million hectares of land were cleared and cultivated. (As compared to only 909,000 hectares from 1967-79.)

-Three hundred seventy state settlements were organized. There were 250,000 hectares of cultivation area, which is 3 percent of the total cultivation area nationwide.

-Four thousand one hundred forty-one irrigation [projects] were constructed, and they are able to drain water in 1,071,000 hectares of rice fields. This number of irrigation projects included 247 large-scale projects and 59 projects that employed hydropower. (In 1945, there were only 12 irrigation projects that could drain water in only 280,000 hectares of rice fields.)

-There was a total of 723,391 machines for cultivation.

-Rice capacity increases each year. In 1976, the harvest yielded 2.13 tons per hectare. In 1983, it was 2.6 tons per hectare.

2. Communications and transportation.

-Revived 1,730 km of the ("Thong Yeurt") railroad and opened hundreds of new ones.

-Roads for automobiles increased by a factor of 10 when compared with that in 1954.

-The number of transportation vehicles increased 11.2 times

-Transportation weight in 1983 doubled that of 1975.

3. Training of cadres, workers, and technicians.

-There are 4,500 teachers at the PhD and graduate levels.

-As many as 33,000 workers have finished high-level or equivalent [education].

-There are 650,000 mid-level vocational level workers.

-From 1980 to 1984, there were 200 professors and 1,245 teachers for technical subjects.

-In 1945, only 1,000 people graduated from the university.

III. Expansion of education, culture, and public health

1. Education. In the 1983 and 1984 academic years throughout Vietnam, there was a total of 13,124 schools, including 12,751 general education schools, 281 mid-level vocational schools, and 93 universities.

-In 1939, there were only 4,037 schools nationwide, and there were only 3 universities throughout Indochina.

-In the 1983-84 academic year, there was a total of 12,887,000 students, including 11,779,000 general education students, 14,000 mid-level students, and 1,309,000 university-level students.

2. Art and culture.

-Prior to the August Revolution, throughout Indochina there were 5 libraries, a number of museums, 40 theaters, and a number of clubs. All these were in the districts.

-Art and culture are now being extensively expanded. In 1975, there were 128 professional performing arts units, and in 1983 there were 200. The mass media have been expanding rapidly. By the end of 1983, throughout Vietnam there were 81 television broadcasting centers, 6 radio and TV broadcasting stations in the [center], and 40 local radio broadcasting stations.

-There were 5,735 radio receiving and transmitting units and 750,403 wire radio networks.

-There were 206 different newspapers and magazines which were distributed with 223,737,000 pages.

3. Public health. Prior to the August Revolution, there were only 26 hospitals, 61 labor rooms, and 507 examination rooms throughout the country. On the average, there were 4 high-level and mid-level medical doctors per 1,000 people.

-Public health is now expanding rapidly.

IV. Construction of various production bases

In the past 10-year period there has been great expansion in construction. Old-fashioned factories were modernized, guaranteeing a steady improvement in production.

-The Equipment Production Plant No 1, which is the largest machinery factory in Vietnam, was constructed and has been in operation since November 1958. It is able to produce 13,000 kinds of production tools.

-Many electricity plants are being constructed. The construction of the (Houa Bing) Electricity Plant, the largest hydropower plan in Vietnam, started in 1981 and is expected to be completed in 1990. There will be a total of

8 sluices and a power of 1,000,920 kW. It will be able to produce 8.16 billion kW each year. There is also the (Ichan) hydropower plant with a power of 380,000 kW and 6 sluices which can produce 1.66 billion kWh per year. Construction of the (Phalai) power plant started in 1980 and is expected to be completed by the end of 1985. It has four turbines and 440,000 kW, and two turbines are now in operation.

-Construction of the (Thang Long) Bridge, a large modern bridge in the SRV, was completed and is now in operation. It is a two-level bridge with a total length of 5,503 meters. The upper level is 19.5 meters wide with four lanes.

-("Gnao Tiang") irrigation construction began in 1981 and will be completed in 1987. It has a dam 1,100 meters long across a stream and a 29 km secondary dam. It will become a large reservoir of 1,450 cubic meters. There are two main canals each 45 km, and they are able to irrigate 172,000 hectares of rice fields.

-The ("Yim Son") cement plant is a modern factory that produces 1.2 million tons of cement each year. Also, the "Vang Tak" cement plant with the same capacity has also been constructed.

Excavation for raw materials has begun, e.g., oil drilling in the area of "Voung Tau" began in 1980, and in 1984 they found an oil well in the area beyond the sea. Workers there are now preparing and assembling machines for drilling oil.

Respected and beloved men. The increased solidarity between Laos and Vietnam has great meaning and importance. We already know well that our nations are advancing to socialism by standing at the forward post, and that the Beijing and Thai reactionaries are unyieldingly trying in every way to destroy our nation's revolution. Besides air attacks, they also used their economic position, market relations, and heritage and cultural relations to destroy us. What is even worse is that they also slow our economic expansion and maintain control of the Thai market and colonialism over Laos.

They have been using these schemes to destroy us politically and culturally, primarily different tribes, and especially to destroy the solidarity within our country. Thus, in order to advance to socialism, construct independent economic bases, and achieve self-mastery, we must resolutely escape from this noose, and we must not let them lead us by our noses to Thailand again. We must resolutely turn to the east and have our relations with fraternal socialist countries which are first of all Vietnam and Cambodia in order to carry out the two strategic duties of national defense and socialist construction. We must also unite ourselves against the same enemies and help each other to solve various economic problems.

Our party and government consider the increased special solidarity between Laos, Vietnam, and Cambodia to be a life-and-death matter. It is a rule for the expansion of each of our nations. Our countries are now completely independent and are advancing towards socialism. If we want our nation to have true independence, we must advance to socialism. If we wish our nation to have independence and socialism, we must have firm relations; we must have special solidarity and long-term all-round cooperation with Vietnam and Cambodia. Relations and cooperation must accompany assistance, sincerity, self-reliance, and self-strengthening.

The third and fourth (third session) Party Central Committee Congress emphasized that we must promote all-round cooperation among the three nations. For example, we must try to obtain assistance from Vietnam, because Vietnam is close to Laos and understands Laos, and it is able to help Laos effectively. Meanwhile, Laos must help to strengthen Vietnam because Vietnam is not only a former source in the struggle for liberation of the three nations, but also is a present source of national defense and national construction.

In national defense and security, both Laos and Vietnam have worked cooperatively to increase relations in national defense, assistance, and learning together in order to maintain security. Both parties have turned their backs together and are prepared to fight and to dismantle the enemies' schemes. Meanwhile, they have also helped each other to build national defense and security forces. Now our three fraternal nations are also able to defend Indochina strongly, which is a fruit of world socialism in this region.

In foreign affairs our nation, Vietnam, and Cambodia have worked in cooperation and have helped each other in a timely manner. The fight against the American imperialists, the Beijing reactionaries, and the Thai reactionaries in the three Lao villages were some examples. This has heightened the influence of the three Indochinese nations in the international arena.

Besides the issues stated above, there are also assistance and cooperation in economics, education, public health, culture, news, radio broadcasting, and newspaper and television in which there is also exchange and resolute cooperation. There are many matters in which we have obtained assistance and lessons from Vietnam and Cambodia.

Along with the advantages that we have achieved, there are still unfinished matters and weaknesses in carrying out our duty in increasing the special solidarity toward Vietnam and Cambodia. In other words, the strengthening of solidarity and economic and cultural assistance has not yet been good enough. There were some projects that were agreed upon but were not carried out because our Lao side had neither a plan, cadres, or detailed calculations. Laos still takes things lightly and does not have the determination to overcome obstacles and does not yet really understand its neighbors. Whatever we do we only want to receive, and we do not want to help them. We have not been able to either become a driving force or to turn over a new leaf by ourselves.

We can conclude that our cadres, party members, and our people have not yet absorbed the correct foreign policy of our party, especially the militant relations and special solidarity between Laos and Vietnam. Our views on differentiating friend from foe are not yet absolute. We still hesitate to face towards the east, and some work sections that have already done so are still unreasonably slow.

What are the immediate duties of our entire party, armies, and the entire people?

First of all, our entire party, armies, and people must absorb our party's correct foreign policy on special solidarity with Vietnam and Cambodia, which is life-and-death solidarity. This is a rule for the constancy and expansion of the socialist revolution in each nation.

-We must increase and steadily strengthen the solidarity and all-round cooperation with Vietnam and Cambodia. We must carry on militant cooperation with Vietnam and Cambodia in order to defend our nation and to resist and destroy all the schemes of the imperialists, the Beijing reactionaries, and other reactionary forces whose aim is to destroy the solidarity of our three nations.

-We must work to obtain assistance and cooperation from Vietnam and Cambodia, for example, in terms of economic and cultural aspects, and primarily in agriculture (cultivation, animal husbandry, and irrigation), industry, and transportation.

-The ministries and committees that have not yet had any experts must come up with a plan to propose to Vietnam primarily in research assistance and in facilitating economic management.

-We must increase the twin relationship between province and province, district and district, and capital and capital.

The important thing is that our Lao side must realize and become a driving force. It must know how to organize and implement and how to put into [summary plans] the 5-, 3-, and 1-year comprehensive plans and the plan for each quarter.

Everything I have mentioned is everyone's duty. We must attentively mobilize the people and different races to carry them out steadily and effectively.

Finally, I wish you and our Vietnamese guests good health and strength to continue giving us advice and to encourage our children to participate in national defense and successful socialist construction. Thank you.

9884/13046
CSO: 4206/13

MALAYSIA

WESTERN MEDIA URGED TO REPORT BALING ACCURATELY

BK120846 Kuala Lumpur BERITA HARIAN in Malay 7 Dec 85 p 2

[Text] Kota Baharu--Friday: The Foreign Ministry has directed all Malaysian diplomats overseas to make clear-cut explanations to the Western mass media concerning the recent Kampung Memali incident in Baling, Kedah. Foreign Minister Tengku Ahmad Rithauddeen said the directive, which was issued yesterday, was done so because there are certain Western newsmen who intentionally distorted the incident to give the country a bad image, especially among the Islamic countries.

He said the copy of the speech by Acting Prime Minister Datuk Musa Hitam at the House of Representatives on 20 November was also sent to the Malaysian representatives overseas. "The government expresses its deep regret over the attitude of certain Western newsmen in this country who sent distorted reports of the incident to their countries." He said this to newsmen when opening the Kelantan State Batik Producers' Cooperative annual general meeting here this morning. He expressed the hope that by presenting a clear-cut explanation, Western newsmen can accept and understand clearly the incident and rectify their reports.

In the incident, 18 people including four policemen were killed when police launched an operation to arrest criminals who were hiding in a house. Tengku Rithauddeen said there are certain Western newsmen who reported that Muslims in the country were intentionally shot and killed by the security forces. He said, " Yesterday, as soon as the government received information concerning the report, we cabled our Malaysian diplomats to give a true explanation of the incident."

The minister said that feedback on further development after the directive was issued is expected to be received by next week. He said, "I understand that certain mass media are reluctant to release the true report concerning the incident in Baling."

/6662
CSO: 4213/52

GOVERNMENT TO ISSUE WHITE PAPER ON BALING INCIDENT

BK111605 Kuala Lumpur Domestic Service in Malay 1230 GMT 11 Dec 85

[Text] The government will issue a white paper on the Baling incident. Information Minister Rais Yatim said that today's weekly cabinet session had considered it necessary to issue the white paper with a view to informing the public of the incident's real background. Datuk Rais, who is also the cabinet spokesman, made these remarks in Kuala Lumpur, adding that the white paper will be a follow-up to a statement issued by Deputy Minister Datuk Musa during a parliamentary session on 20 November.

During the incident, a total of 18 people, including four policemen, were killed. Datuk Rais said the white paper is aimed at averting misunderstanding by the public and other groups who want to exploit the incident for their political and personal gains. Datuk Rais also said that his ministry would release all events surrounding the incident videotaped by the police. The videotape would be released as soon as the ministry receives it from them. Datuk Rais said that by explaining the incdient to the public, people will be able to understand the whole truth. The white paper is also aimed at dispelling any groundless accusations against the government by certain groups in the country. The cabinet also considers as serious the inaccurate news coverage, especially by the press, on the incident. The cabinet has urged the press to be more careful in presenting their reports to avert creating (?negative impressions) among the public.

/6662
CSO: 4213/52

MALAYSIA

BRIEFS

SPANISH AMBASSADOR PRESENTS CREDENTIALS--His majesty the king received the credentials from the new Spanish ambassador to Malaysia, Mr Roberto Bermudez Ruiz, at the National Palace on 24 November. On this occasion, his majesty said that Malaysia has numerous offers to extend to Spain on terms of marketing, investments, and joint industrial ventures. Meanwhile, Mr Ruiz said even though Spain and Malaysia are geographically separated, the two countries are close due to strong traditional relations. He said in recent years relations between the two countries have been enhanced based on peace, freedom, and democratic principles. [Summary] [Kuala Lumpur BERITA HARIAN in Malay 25 Nov 85 p 4 BK] /6662

FORMER MCA LEADERS APPOINTED--The Malaysian Chinese Association [MCA] Central Committee today appointed former acting deputy president Datuk Mak Hon Kam and former acting president Datuk Dr Neo Yee Pan as general treasurer and a member of the Party Policy Legislation Council, respectively. Party President Mr Tan Koon Swan disclosed this today at a news conference after chairing the first meeting of the MCA Central Committee in Kuala Lumpur. He added that Datuk Mak is considering accepting the appointment. Their appointments were unanimously approved by the meeting designed to unite party members and forget what had happened in the past. [Text] [Kuala Lumpur Domestic Service in Malay 1230 GMT 7 Dec 85 BK] /6662

CSO: 4213/52

CEBU OPPOSITION DAILY SAYS LAUREL 'IN CAHOOTS' WITH MARCOS

Cebu City VISAYAN HERALD in English 19 Nov 85 p 3

[Article by Atty Vicente S. Del Rosario in the "Bombshell" column: "Doy Laurel, Former KBL Assemblyman and Marcos Henchman, Now an Ally of the Dictator"]

[Text] In an article entitled "Laurel Unfit To Be the Standard Bearer of the Opposition" published a few days ago, I narrated that Doy Laurel, being a former KBL Assemblyman of Batangas, had joined the opposition and in 1981 declared that he would run for the presidency against Marcos in that year, but that for no viable reason withdrew his candidacy and joined the boycott movement. Later in 1984, Doy signed an agreement with former Pres Macapagal, Tanada, Diokno, Gingona and Butch Aquino to put up a united front in the forthcoming Batasan elections in that year but he reneged on the agreement by putting candidates for assemblymen while the other signers opted to boycott said elections. Thus, splitting the opposition forces in that Batasan elections, resulting in the victory of the KBL.

Now, the Manila dailies are carrying the story that Cecilia Munoz-Palma, chairman of the NUC, was berated and scolded by Doy Laurel for scheduling in the discussion of the leaders of the opposition the urgency of NUC's registration with the Comelec as a new alliance of political parties so that it could be declared as a dominant minority party.

Why was Doy so irked? Because in a conversation he had with me sometime ago, he indicated and insinuated to me that Marcos would make the UNIDO as the dominant minority party in the coming presidential elections. And now Munoz-Palma would like to register the NUC as the dominant minority party instead of the UNIDO.

By this serious incident between Doy and Munoz-Palma, I am convinced more than ever that Doy is in cahoots with Marcos so that the former would be the opponent of the latter in the coming snap presidential elections like Alejo Santos, the Marcos planted opposition candidate in the 1981 presidential elections.

/9274
CSO: 4200/421

OPPOSITION LEADERS DISCUSS ISSUES AGAINST MARCOS

Quezon City VERITAS in English 1 Dec 85 pp 8-11

[Interviews by Gigi S. Oyog: "The Issues Against Marcos"]

[Text] Political observers recall how graft and corruption used to be the only issues in elections past. But when President Ferdinand E. Marcos faces the electorate once again, possibly on February 7, he will have to answer more. For the charges against his regime are legion.

To name only a few, these include issues such as the failing economy, the murder of Aquino along with other human rights violations, militarization especially in the countrysides, the controversial nuclear power plant in Bataan, the US bases, the hidden wealth of the Marcos family and their cronies, and, to some extent, even his wife Imelda is an issue.

This week, VERITAS focuses on those issues as discussed by several opposition leaders.

Mariano Miranda Bayan, Director for Economic Planning Commission

To us in Bayan, the issue is bigger than Marcos. He is merely one-half of the coin. US imperialism is the other half of the coin. The reason for our economic crisis is not solely attributed to cronyism and Marcos. We had crises even before Marcos. The fact remains that our balance of trade, which is an indicator of the economic crisis, has always been in the negative since 1946 until 1984 with the exception of two years. What I'm driving at is that the issue here is more than Marcos alone. The politicians will say, "Let us tackle the problems one by one. Let us get rid of Marcos first then get rid of the Americans." The reason the Americans are particular about the election is because they have seen that elections worked as far as stabilizing the situation is concerned. If you want to find out how America will move in the Philippines, look at what happened in Latin America. Between the system and Marcos, the U.S. is willing to let go of Marcos but not the system, because they benefit from the economic structures prevailing in the country.

Will the elections solve the economic problem? Will a new president solve the economic problem? It won't. In essence, the fundamental problem is economic. How to feed the people or how to pay the debts. But the immediate problem is political.

The election, although it is a political step toward solving the economic crisis, will not actually solve the crisis. I worry that it might give people the illusion that if you change the president, it will be all right. I'm not saying elections are wrong but they must be set in proper perspectives. It will not solve the crisis.

I think the opposition must use the murder of Aquino as an issue against Marcos although the Americans would want to extricate themselves from responsibility for Aquino's assassination. But the Americans cannot remove themselves away from the scene because, after all, who trained the soldiers, who gave them arms, who maintains the soldiers are the Americans. They can't say "Look we trained them only to kill communists." Unfortunately, it did not happen that way.

The hidden wealth cannot be made an issue by the opposition because some of the traditional oppositionists are also guilty of hidden wealth. The fundamental reason businessmen, lawyers, or landlords go into politics is to preserve their economic interest, to make money because that's the easiest way. The only thing here is the gravity and the extent of the hidden wealth of the Marcos regime are really too much.

Sincere politicians must raise the bases issue. But I doubt if the present candidates will raise the bases issue. Last week, the Americans already said that even if the lease expires in 1991, they will not pull out but will continue to keep the bases. And that also betrays why the Americans want snap elections this year. If they can make sure that the new President is Pro-American, then they can negotiate in 1991 and assure themselves that they can keep the bases.

Militarization is definitely a popular issue. You can see that from the indignation over the Escalante massacre and the Taft shooting. This is something close to the people's hearts. I can understand why the people want to change Marcos because of militarization. In fact, we say that the political party of Marcos is not the KBL but the AFP.

Human rights violations are only a manifestation of the bankruptcy of the state. There are two ways the State can exact obedience of the people. One, by trying to fool them through education and culture and if they can't fool anymore, they will use force and violence.

Imelda Marcos is an issue for the professional and the middle class who are aware of her profligacy, the way she spends money which is linked to the economic crisis.

The cronies are an issue among the middle class, especially with the businessmen. Cronyism became an issue because the cronies started eating up into the other businesses. The way the government dispenses favors for the cronies is obvious. Ironically, cronies are also an issue with the Americans.

The traditional politicians may use the insurgency issue to pressure Marcos and the Americans into supporting them. The insurgency will not stop simply because Marcos has been changed. The problem is not personal but structural.

These are valid issues but are merely manifestations of the real problems. If we say these are the issues and don't look at the roots, we are not going anywhere. Like militarization and human rights violations are instruments to suppress dissent. But why is there dissent in the first place? Why is there insurgency? Why is there an economic crisis? The real issue should be the economic system which is no longer working for the people and therefore should be changed. It is a backward system that benefits a few in society. Why do we have the debt crisis? Because we have been too dependent on the U.S. and other countries. It's time we come out with a nationalist economic program.

Noel Tolentino, Bandila

As far as who the mastermind of the murder of Aquino is, Cory Aquino has always maintained that President Marcos must surely be even in the know; for even on decisions: such as which newspapers Ninoy was allowed to read had to be cleared by Marcos himself. It is hard to imagine, therefore, that Marcos did not know anything about the murder of Aquino. From that standpoint, when you present it to the people, his (Marcos') responsibility in the assassination of Aquino could be unquestionable.

Secondly, that issue must be expanded to include all the other murders committed by this administration. And since Aquino came back to support the opposition's fight against the kind of government Marcos has created for its people, necessarily Ninoy, too, had to be eliminated as all the others had been eliminated. This is the position that has to be taken.

The wealth of this country has been plundered by the Marcos government with the help of a few of his circle. This is a deeper issue that must be addressed by architects of a new democratic society. In relating this issue to people, you have to bring it down to rice-and-fish issues. You have to explain how it affects the workers and peasants, that in this kind of structure nobody can get out of the spiral of poverty. A true transition government after Marcos must tackle this issue squarely. The kind of economic structure after Marcos has to discourage the strong capitalist orientation and encourage a more socialist orientation. This means diminishing the hold capitalists have on the economy, particularly in owning the major means of production. It may mean mixing the good points in a capitalist society with those of socialism. I see the situation favoring peasants and workers. If you talk about democracy, political democracy must be integral and true to itself. If we say we will become a democratic country post-Marcos, then it is hard to imagine real democracy if in the factory, farm, or corporations, the authoritarian form of rule still takes place. There has to be a structure where the expression of democracy is practised in the workplace and farms. We should see more and more participation of workers and peasants. Their participation in terms of labor is there but their participation in the sharing of the fruits of enterprise must also be there and so with their participation in decision-making.

The issue of the bases must also be addressed by any nationalist-oriented person, as well as one who had a strong view on national sovereignty. If you look at the convenors' program, it is very clear about its position on the bases. The way it is articulated in the program is the way it should be articulated in an election campaign.

As far as the U.S. is concerned, the bases are non-negotiable because they are strategic from a geo-political point of view. In the Philippine situation, the U.S. will intervene because it wants to guarantee that whoever wins, whether within Marcos' camp or in the opposition, will be open to the continuation of the bases treaty. The U.S. can't afford to face a nationalist-oriented personality who has strong view on national sovereignty. I see the U.S. propping up a person who is more acceptable to them and who can be made acceptable to the rest of the country. This would be their maximum fallback position.

As far as the opposition is concerned, the sooner we recognize that we face this maximum fallback position, (the better), and we should not be drawn into a false belief that the U.S. will help us to liberate ourselves or help us (achieve) our national interest. No country looks out for the interests of another country. It is only the people of that country who will have to look after their own national interests. There is no such thing as an American helping a Filipino regain his independence.

What you say against the President, you can also say against Imelda. They're one and the same thing. He has used her as much as she has used him and all for the objective of exploiting further for themselves whatever wealth the people have. So when you take a position in a political campaign, the issue is the conjugal dictatorship. Otherwise, the people will say, "Hindi naman masama si Marcos, 'yung aswana lang niya." Mali iyon.Silangdalawa. Both would not have been in power for that length of time without being supportive of each other.

MP Zafiro Respicio, National Chairman, PDP

The Marcos government is morally and politically responsible for the murder of Aquino. The suspicion that the plot was hatched in the Palace is not without basis. Aquino was killed while he was in the custody of Ferdinand Marcos' soldiers.

Our economy is Asia's worst and we have already been overtaken by our neighbors who trailed us (in the area of development) before Marcos came to power. Ferdinand Marcos and Virata have sold us to foreigners. We are poorer now because of Marcos' economic policies.

Marcos is reputed to be one of the richest men in the world and the expose in the American press shows that they have made money while in office. Graft and corruption in the highese echelons of government is an issue which Marcos will not be able to evade or ably defend himself from.

The renegotiation of the RP-U.S. Treaty with onerous terms and conditions shows that Marcos has been had by the Americans.

The presence of the bases impairs our sovereignty and it endangers our security and existence. It shows that Marcos has been playing with our future in exchange for a few million dollars.

The nuclear plant was over-priced and it exposes us to unacceptable risks. Marcos is solely responsible.

Marcos as commander-in-chief converted the AFP into his private army. A poor country like ours is forced to spend for a huge army when we cannot even provide education and health services to the people.

The killings in Mindanao and elsewhere is the consequence of Marcos' greed for power.

The gross violations of human rights is a very serious election issue against warcos. This shows that Marcos does not respect our basic rights and freedoms.

Imelda Marcos' excesses and the possibility of her succeeding the President will contribute greatly to the defeat of Marcos.

The cronies have plundered this country. While they are an issue, they will be the source of funds which will go into Marcos' election campaign.

The growing insurgency and turmoil in our country is the best proof that Marcos and martial law failed.

/9274
CSO: 4200/422

CPP, NDF CADRES ON ELECTIONS, SUPPORT FOR OPPOSITION

Manila MR. & MS. (Special Edition) in English 29 Nov-5 Dec 85 p 19

[Article by Roy de Guzman: "CPP Says: 'If No Snap Election Next Year, There Will Be No Elections at all by 1987'"]

[Text]

Ka Asiong (real name: Tomas Dominado) smiled when asked about supposed plans to hold snap presidential elections. He's one of only three Communist leaders in the country who identified themselves as Communists and allowed their real names to be used. (See story on page 16.) It has seemed then to be a very remote possibility. The deputy Party secretary of the Communist Party of the Philippines in Panay said they were more concerned with the growing strength of the revolution. And elections by 1987 seemed to be an almost impossible event, he declared, because of the relative strength of the revolutionary forces by the time.

"If no snap elections are held next year, there might be no elections at all by 1987," Ka Asiong, in all seriousness, stated.

PROGRAMS, NOT PERSONALITIES

Asked if they will support either Doy or Cory, Ka Mario of the National Democratic Front said: "We would rather have programs than personalities. If ever we support an Opposition candidate, the revolutionary activists will continue holding demonstrations against the utter futility of elections to change the rotten situation. NPA activities will intensify — both in the countrysides and in the cities — to make it known that armed revolution remains to be the primary form of struggle we should wage. Marcos is a fool if he thinks the revolution will stop with his elections. We are not about to abandon our weapons!"

He confided however that the revolutionaries are amenable to the conditions set forth by the Convenors' Group, which includes the President's resignation, revamp of the Commission on Elections and confinement to the barracks of the military, as prerequisites to participation.

Salvador Laurel is unlikely to get the CPP and the NDF's nod. Besides being an active anti-Communist, said Mario, "Laurel has shown that he is just like Marcos. Doy places his selfish ambitions before that of the democratic and legitimate aspirations of the people."

CORY COULD BE IT

Cory may yet get their support. The Convenors' Group is said to be pushing for Cory's candidacy, and it was CG's demands that they have so far shown interest in. Many of their activists, obviously with bossmen's approval, have also signed the Cory-for-President forms. This may be seen as an effort of the largely peasant- and workers-based underground movement to get the middle forces and ruling class elites to join their cause. Besides, 1986 is a year too near 1987, when the revolution — says a top CPP-Panay official — reaches "the penultimate stage before final victory"

"We will definitely participate in coming local elections," Ka Nonoy (real name: Manuel Calizo, Jr.), Party head of CPP-Panay, vowed. "However, we will make it clear for the people that elections can't fundamentally change the present miserable conditions in the country today."

Participation would not be the usual one. The CPP will join the polls by supporting the Opposition candidates in areas where the New People's Army (NPA) is strong, and by asking CPP-supportive barrio people and city folks to vote for the Party-backed candidates.

Ka Asiong also said that NPA operations will not cease, if only to show the effectiveness of the Communist-waged armed struggle. The NPAs will stage raids and ambushes against government soldiers interfering in the conduct of the elections in Opposition bailiwicks, hold paralyzing transport strikes in places they will not field candidates and simultaneously conduct partisan warfare in the cities in time with the scheduled elections.

The CPP sees the elections as a plan of the so-called U.S.-Marcos clique "to isolate the revolutionaries." Said Ka Nonoy: "The U.S. government wants a peaceful transition, with liberals, reformists and loyal Marcos followers taking over the government once Marcos dies or leaves office after the presidential polls." Sometimes outfought but never outdone, the CPP would never say "finis" to the armed revolution it has waged.

"As long as elections can help further advance the Philippine revolution, the CPP, the NPA and all our national democratic allies will be for participation Otherwise, a poll boycott — one that shall finally strangle the regime and its evil henchmen of all their temporary powers — is in order."

The CPP has indeed weighed things carefully before plunging into that decision on the local polls, as past elections would reveal.

The Party, smarting from a near-disastrous AFP campaign against them for three straight years since 1972, was quiet during the 1976 referendum on proposed amendments to the Constitution. Two years later, they formed a coalition with liberals and social democrats and campaigned for the Lakas ng Bayan (LABAN) led by then-political detainee Benigno Aquino, Jr. in Manila, but urged a boycott in the provinces. In the 1980 local elections, despite a non-participation policy, some Party leaders supported candidates in areas where the NPAs were getting massive support. Set against the backdrop of Marcos' normalization scheme in 1981, the presidential elections ended with Marcos running against what was called a Palace-supported candidate. And just last year, the boycott campaign that generated the active support of millions got a not-so-secret CPP approval.

HOUSE DIVIDED; PARTICIPATION VS. BOYCOTT

If a presidential poll would be held at all, the house is yet divided, a source based in Manila reveals.

"Those in the provinces want to boycott the snap elections," our confidante, who is a ranking National Democratic Front (NDF) official, revealed. Indeed, that seems to be the thinking in the countrysides. When the news about Marcos' decision to hold snap elections was broadcast in Iloilo City, Party youth leaders "were sure", it's going to be a boycott.

"Which is but logical," said the NDF's Ka Mario, who spoke on condition that only his views on the election, and his *nom de guerre* — of which they have two or more — will appear in the story. The situation calls for more than just quick and outright decisions, he said, as nothing else is final about the announced elections.

Ka Mario said the decisions of other political groups will have to be taken into consideration: Marcos' sincerity on the holding of the elections, traditional Oppositionists' demands before participation, and liberal and social democrats' moves regarding the snap polls.

"Marcos looks desperate to show to his U.S. allies that he is intent on effecting reforms. The independent postures of some of his most trusted men as Blas Ople and Juan Ponce Enrile and Arturo Tolentino, added to the widespread demoralization in the Armed Forces' ranks, form cracks in the dictatorship's inner core. Local polls are sure to result in overwhelming victory for the political Opposition, and Marcos wants to avoid this. He is shaky, nervous and concerned about the bad publicity generating against him. He wants to prove to the world he is back with his iron-fist power. Well, sorry, Mr. Marcos. There's no way you can escape your doom, thanks to arrogance and time."

And the decision in the coming elections?

A joke circulating among rebel circles have it that one condition the CPP will demand before supporting Cory will be Salas' :hoice as the vice-presidential bet. No, not Rafael Salas, but Rodolfo. He happens to be the chairman of the CPP, and head of its Central Committee.

But then, this is a joke or is it?

/9274
CSO: 4200/422

INDIVIDUAL CADRES RELATE GROWTH OF CPP/NPA

Manila MR. & MS. (Special Edition) in English 29 Nov-5 Dec 85 pp 16-18

[Article by Roy S. deGuzman: "CPP: They're All Around Us"]

[Text]

THEY were faceless and nameless once, introducing themselves as members of the New People's Army or as responsible officers of the National Democratic Front.

They used to hide their faces — through red bandannas or dark glasses — as photographers aim their cameras and fire. A *nom de guerre* becomes a good excuse too, for dropping names other than their very own.

They used to hide, but not anymore.

"The force at the core of the revolutionary struggle is The Party."

Nobody would want to dispute that. President Marcos calls them "these communists", the hard-core elements he would crush in a year's time. Defense Minister Juan Ponce Enrile sees them as the CPP-NPA-NDF block, or simply "the Marxists", hinting of a far more ideologically-advanced group behind what his boss still calls a "rag-tag" army.

Others, fearing their takeover of the government, propose the party's legalization. Hardly a day passes without news about them right on the front pages of the local and the international press.

Today, with announcements of elections (see related story, page 19), city and municipal insurrections, and of strategic stalemates, everyone has stopped treating the Reds as just a bunch of activists lacking things to do.

The Communist Party of the Philippines has indeed come a long way since Dec. 26, 1968, when the Party was formed.

Meeting in a remote Central Luzon village almost 17 years ago, some 30 young and idealistic students and elements of the Partido Komunista ng Pilipinas set out to remould the old party — the PKP — and later on, our very own society.

On March 29, 1969, about three months after, the NPA was formed, as the concretization of "armed struggle as the primary form of struggle in the Protracted People's War".

Colorful stories were woven out of this meeting.

It was said that disillusioned Kabataang Makabayan and Samahang Demokratiko ng Kabataan sought an arena for the realization of the Maoist dicta other than the parliament of the streets "We can't win just shouting in the streets," one of them said. "We have to have an armed group, a people's army." Even shouts of *"digmaang bayan"* during student demonstrations won't suffice, they said. So they began the search.

It was also during this time that an old guard of the PKP — a rebel commander of the Hukbong Mapagpalaya ng Bayan — went to Manila. He was at odds with the PKP head at the time, who indulged only in warlordism, gangsterism and even womanizing. He heard about those "noisy" students. And he knew right away that only these students can help re-direct the path of the ailing armed struggle.

And that was it. As one writer said, "The army without a party met the party without an army."

During CPP's initial months, the founding members were facing a dilemma: much of the armed activity was taking place only in Central Luzon, making the rebels easy target of massive military operations.

To solve the problem, a call was aired, aimed not surprisingly at the youths "of tomorrow". *Kabataan, Magtungo sa Kanayunan, Lumahok sa Digmaang Bayan* (Youth, go to the provinces, join the people's war).

It is at this point that our characters enter.

Manuel Calizo, Jr. had his first taste of demonstration on Jan. 30, 1970, at the doorsteps of Malacanang. He was with a friend who had wanted to see Francisco Tatad, then Marcos' Press Secretary detailed at Malacanang. Police roughed them up, thinking they were part of a noisy mob then gathered near Gate 2 of the Palace. They protested the treatment to no avail. They were thrown out of the gates, and into the willing arms of the activists. Shortly after, angry students started stoning those inside the President's House. Calizo, still angry with the Palace guards' treatment, joined in the riotous affair, until the military swooped down on them unto the dingy *accesorias* of Mendiola. He never forgot the experience. He joined the SDK soon after.

Tomas Dominado was from a middle-class, liberal family. Enrolled at the University of the Philippines when the First Quarter Storm brewed, he was immediately engulfed in the activist tide of his time. Not even his parents' reprimands could stop the burning fervor inside of him: he later quit schooling to concentrate on student organizing.

Manuel Homena came from a filthy-rich clan, of the mixed landlord-merchant type. He was considered the black sheep in their family because he acquired no honors in school. His parents wanted him to take over the family business, but he had other things in mind. His sister, a PKP member, occasionally gave him nationalist readings to bide his time. It was in U.P. at Los Banos where he was recruited into the KM. He went back to the family, got his *pamana* (inheritance), and gave it to the revolutionary movement. That, for him, symbolized his total break with the ruling class, and complete acceptance of the righteousness of the Philippine revolution.

Samuel Lagulao had always been the typical student. He was the student council president of a university in Iloilo City. He was the associate editor of the school organ, a top ROTC official, a member of one of the fraternities in the school, involved in the activities of the countless school organizations. But he was also the studious type. Both his father and his mother were teachers, so he read a lot. A special interest of his was quite extraordinary, however. He was into Communism. Revolution. Mao. Lenin. Marx. He did not understand his teachers' distancing from the subject. There were good things in these people, nice thoughts from these ideas. So when the opportunity came, he grabbed it. No way out after KM.

Concha Araneta also belonged to a prominent family. She was at Assumption from Kinder to High School. In college, she decided to enter U.P., where she was invited into the U.P. Nationalist Corps. She was only curious at the time. Her parents did not like the idea of her getting into violence, almost always associated with the activists of her time. She did not mind. Her provincemates, her friends, were shocked at the sudden change of lifestyle. "No, this can't be Con." But it was Ms. Araneta alright. She herself thought about it for nights. Revolution, is it really needed? But the hunger, the misery . . . there is no other way, no more turning back.

The five recount the difficulties they initially encountered. Calizo was forced out of the house by an over-strict and disciplinarian uncle. Dominado recalls the hunger, the irregularity of activities, the times they had no money at all. Homena was called a fool, a lunatic by even his closest buddies. Lagulao is reminded of the pain of leaving one's responsibilities in the big family. Araneta had to learn a lot of housework.

They found themselves together when martial law was declared.

Calizo, together with 13 other activists, was arrested in the crackdown. He was released six months later and went straight to the hills. Dominado heard of Calizo's arrest, and was forced to retreat into a mountain hideout. Homena was being sought by the military; he also wanted to join the NPA. Lagulao was left to infiltrate the military, but joined his comrades in 1973 when officials learned of his activities. Araneta recounts the way she, together with 12 others aboard a car, literally hopped into the mountains, as no checkpoints guarded their entry into NPA land.

The hardships began.

Homena says that the period "was the most difficult one". The people were afraid, the arms were insufficient and mostly crude, the rebels were subsisting on jungle crops, and their clothes – two to three pieces at the most – were all too tattered they looked more like beggars than rebels. Araneta feared the nightly walks in the mountains, but there was nothing they can do for the military was hot on their tracks. So many died, Dominado recalls, and the leadership in the Party changed almost with every encounter.

"Sa cities, puwede pa ang pahi-pahinga. Pero sa bundok, susubukin ka talaga. Parang ikaw na rin ang nanghuhusga kung magtatagumpay nga ba ang rebolusyon, kung tama nga ba o mali ang ginagawa (In the cities, you can rest, but in the mountains, you're really put to a test. You have to judge for yourself if the revolution will triumph, if what you're doing is right or wrong)."

They persisted, and they now count the blessings of the struggle.

Before, they only had the Madia-as Mountain Ranges as cover for protection against declared enemies. Then, the barrios opened up, the people lent support, the cities were active again with the sweet sound of protest.

Just as hastily as the military launched their big-time operations in 1973 did all this went kaput in 1975.

"The AFP committed the biggest mistake of all back in 1975," Homena declares.

The Party has learned from the struggle.

Rebels holed up in the houses of people receptive to the Reds' cause. Less emphasis was placed on foreign assistance, after the aborted Chinese arms shipment aboard MV Karagatan and the cut-off of arms supply from the Palestine Liberation Organization since an initial few hundred AK-47s and -50s "fraternal support" arrived. Cadres started to do organizing works in the cities, and in worker and peasant ranks. The NDF was formed to attract the middle forces.

"A most glaring lesson from the 1972-1975 period was the shunning of empiricism. We overestimated the enemy, we were afraid to come out. But how can we overcome the satanical beast that is fascism if we do not come face-to-face with it?" Homena says.

Dominado lists down the effects of the change in party stress. For one, he says, the masses readily supported the idea when we presented it to them openly. "They even teased that we only have homemade guns. So they helped in procuring high-powered rifles. Our movement in and around the cities and the municipalities also relatively eased with the people's help. We expanded the areas that we cover. We acquired skills in guerilla warfare. The leadership stabilized, as we learned to duck from concentrated enemy attacks and to repulse the scattered and small-sized ones.

"From then on, the Revolution never stopped. It never will until final victory."

The CPP started out in Panay island with only about 10 cadres. They now have 4,000, ten per cent of the Party's members nationwide in 1984. The first NPA squad had only ten firearms, two of them Garand rifles and civilian militia are armed with M-203s, M-79, M-16, M-14, BAR, grease guns, AKs, Garand rifles, with part-time Red fighters sporting M-1 and M-2 carbines, pistols, shotguns, home-made pugakhangs and *paltik* revolvers.

Calizo, alias Ka Nonoy; Dominado, alias Ka Asiong; Homena, alias Ka Joe;

Lagulao, alias Kumander Bernan; and Araneta, alias Ka Marta, never knew they were going to live this long to see the fruits of their daring struggle. They were more than ready to die for the cause they believed in. And they will have it no other way if life can be recycled again.

"We knew it was going to be protracted. But I really didn't know it would take this long. Determination and perseverance pushed us through the darkest periods of the revolution," Calizo, the Party Secretary for Panay — the highest post in the region — says.

Dominado, the Deputy Secretary for Educational Affairs, can only look back at the fate of his fallen comrades. Once, he survived the military assault of a Regional Secretarial meeting. His three other companions — journalist Antonio Tagamolila, ex-student activists Tony Hilario and Rolly Luarca — died in the military raid. "We all have to die sometime. And I salute my former comrades who died serving the Party and the Revolution."

Homena sees the ensuing victory of the Party, and the people, in the coming years. "How protracted can protracted be? At least we now know that it won't take too much time anymore. If it will take another 20 years, so be it. We've lasted 17, we could last a lifetime!" Homena is Deputy Secretary for Organizational Affairs.

The Regional Military Commander, Lagulao, defends the use of violence in the Revolution. "The masses do not question anymore the use of violence. They see it everyday — in the hunger of their children, the brutal persistence of the powers-that-be to take everything they have. An armed revolution with the people on your side can be the only way towards victory."

Araneta is Party Secretary in Panay's District 3, the oldest and most advanced in terms of armed struggle. She says, "Practice has proven how the party was, what it has achieved, how it will be. Definitely, I see no other future for us and for our people but victory."

All five of them are very much alive, very much around us, in this, our very own time. You see them in the streets, pouring out disgust over a stinking system. Or in the schools, egging students to get out of the confines of their classrooms. In the factories and in the fields, where they remind peasants and workers that they are the ones to decide history.

They just stay hidden, until the time when the circumstances would let go of all those masks, all those dark glasses and *nom de guerres*.

They are the Revolution.

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CSO: 4200/422

PHILIPPINES

CEBU COLUMNIST URGES U.S. INTERVENTION

Cebu City VISAYAN HERALD in English 22 Nov 85 pp 3, 11

[Commentary by Erwin Castro: "The Right Time To Intervene"]

[Text] I am one of those who's particularly against U.S. of A.'s global policy of protecting their interest first even to the extent of supporting unpopular regimes at the expense of the greater interest of the majority of the population. The Philippines is one of these Third World countries where the U.S. has a bigger stake not only in its investments but also in the two (2) strategically-located U.S. bases.

I am a Filipino first and foremost, and I, must like the majority of Filipinos, have interest of the country at heart. The U.S. can be faulted for intervening at the wrong place and at the wrong time in many places in the world but this time we true-blooded Filipinos would like the U.S. to intervene to the fullest in this coming elections.

It is the most fervent hope of majority of Filipinos that all the enemies of the people be booted out and all obstacles eliminated to bring back the democratic way of life we don't know. It is not a choice between Marcos and the communists. It is actually a choice between the people of the Philippines vs. all the enemies of the people composed of Marcos, his technocrats, his cronies, his KBL and the communists.

Intervention is not intervention if one is welcomed by the people. We would like the U.S. to send Marines to guard all the precincts come elections times. And post Marines at the COMELEC offices, too, all over the country. The Marines should not leave until all the counting is over and all winners are proclaimed.

Of course Marcos or the communists will object. But do not mind them. They are both enemies of the people.

It is not enough that a response of complete withdrawal of assistance if the election is rigged be made by the U.S. as this will surely not be needed by Marcos and his group who have more personal money to spend than all the assistance money the U.S. can provide to the country up to the expiration of the bases treaty.

The U.S. has to manifest its serious intention of safeguarding the election process by sending in the Marines during and after election up to the proclamation of winning candidates. And Filipinos will surely hail the U.S. as the real protectors of democracy. The Philippine Military is not anymore trusted by Filipinos because its loyalty is personal to Marcos and not to the people.

There isn't really much choice for the U.S. because if they do not intervene and leave everything as they are now, Marcos will win in the civil war, the Filipinos will end up like the Vietnamese boat-people, the two (2) U.S. bases will be lost to the communists and there is nothing else anybody can do in the world when the communists get firmly in place in the country.

The time to intervene is now while U.S. has still the leverage and the support of the Filipino people. If the U.S. does not act now, then, they should prepare themselves to face a Filipino Daniel Ortega in the not-so-distant future. A grim prospect for the Filipinos and the U.S., too.

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PHILIPPINES

WEEKLY LAYS MOST DAVAO VIOLENCE TO CRIME

Quezon City WE FORUM in English 26 Nov-2 Dec 85 p 7

[Article by Richie Benavides: "Images of Davao City"]

[Text]

If there is any semblance of peace in Davao City at all these days, it is because a great part of the city has been influenced or is controlled outright by the New People's Army. Peace is a few killings per day in isolated areas. If a couple of bodies float down the river, it manages to hug the headlines, but it is not strange anymore for the Davao residents.

Violence has become an accepted reality for Davaoenos. But it is a violence that is nearly getting out of hand. The New People's Army and the AFP are still playing a cops-and-robbers scenario, but what is more dangerous are the Civilian Home Defense Forces, the "assets" and informers, the unaligned, unnamed, unknown bandits. It is open season in Davao, and one gets hit, only if he's at the wrong place at the wrong time.

But all those days we recently visited Davao, there was none of this rumored violence at all. There was a sensational rape-murder, allegedly perpetrated by children of big shots high on drugs. And then, a string of killings done on "ushers" of the very popular "last 2" illegal gamble. There are 'Masiao" and "last 2" debts that had to be paid, but the big collector upped and disappeared in cooperation with some military men.

"Last 2" is the kind of gamble every poor man is prone to. It consists of guessing the last two digits of the sweepstakes First Prize. Every thousand pesos, wins P72,000. A few weeks ago, big time racketeers and financiers came up with a "hearing", much like a sure scoop of the winning last 2 digits. Betting was heavy. There were P4 million worth of bets collected. "Masiao" is a numbers jai-alai game. Tempo is the most widely-read national paper only because it has the jai-alai results. The biggest financier of the masiao bookies is rumored to be a general's lady.

"The stage for a front has to be set and, unfortunately, Davao has to be it," said a foreigner who has been Davao-based for almost a year now. "The military has to keep its budgets at certain levels, and if there is no insurgency, they would not have any excuse to get a large share of the budget. Besides, there are very good business opportunities in Davao. Wherever there's 14 per cent of the total produce in this country, there's bound to be a lot of opportunities for corruption. Besides, there is a big smuggling activity out here. Not to mention the illegal log and fishing business. I would not wonder why the military would want to lie low for a while. Sure, there is a war here, but does it feel like there's one? And don't quote me," he finishes.

The local businessmen have learned to live with the NPA. Even Davao tabloids seem to accept the "rebel tax men", whose turf is being encroached by pure bandits who leave carcasses on doorsteps and leave threat notes. But everything is on a whispering scale. The NPAs move in and out of their liberated areas within the city.

"Marami ang mass dito," one of them said, "and very soon, there will be more Davaos all over the country." It can happen that an operation pinta, where left-leaning slogans are done in broad daylight. It is with some amount of pride that they claim "Takot ang military na pumasok dito."

In the orchard-farmhouses that ring the city, colored television sets sit out in the open, and doors are still pretty much unbarred. "The NPAs pass by here, sometimes, and they're very polite. They even pay for what they get. We have no trouble with them. The problem comes when the bandits cross through our property," says a retired schoolteacher, "this is when Davao turns out its 'killing fields' image."

Criminality has come in many guises and personalities in Davao. And it is often cloaked in military uniforms. What has made Davao conducive to this atmosphere is the mass lay-offs of erstwhile big corporations. One big concession area, when lost through the corridors of power politics, had no alternative but to lay off half of its workers. "These people have nowhere to go but to turn rebels," says an official, "and we can't do anything about that. We hate to lose our people who've been with us since the company began, but we have no choice."

Rebel strongholds have become "clean". Holduppers, military men, even philandering husbands, are summarily executed if they refuse to toe the line. "Ay buhay," sighs a youngster, "pag tinamaan, patay." But these areas have also been rid of addicts and alcoholics. "Hindi ka maga-behave, lagot ka sa committee," says another resident of such areas.

Yet, there is still a good life in Davao. The first miners of the gold areas continue to progress, even as highwaymen and robbers are always ready to pounce on the gold bearers when they come from the gold areas.

"Helicopter na lang talaga ang laban mo sa gold mountain. Kundi, mitsa ng buhay mo ang gold na na-mina mo," says a miner.

The agri-businessmen are still raking it in. After the big drought came the bountiful harvests of cacao, pomelos, bananas and lanzones. It was a bad year for durian and mangosteen as there was too much rain. But when a three-year-old pomelo grafted tree bears 4,000 fruits in a season, it must be sheer delight to a Davao farmer. In orchard farmhouses, it is not rare to see a Betamax set, the latest tapes and sound equipment, the amenities of gracious living.

Agri-business is thriving in Davao, but only for the very brave, who will promise to keep their businesses on the level. "A rich Chinese came to buy all our pomelos," said an orchard owner. "He was giving P100,000 as down payment for the flowers of our trees. But I had to turn it down. Where will the poor vendors, who have no capital, get their goods? The offer was tempting but I had to think of our starving countrymen first."

And many simple farmers and folk still operate this way in this war zone. There is a startling camaraderie of the "yagit", and they are trying very hard to weather the storm clouds that have invaded Davao.

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COTABATO EDITOR DISCUSSES MUSLIM DISCONTENT

Cotabato City THE MINDANAO CROSS in English 16 Nov 85 pp 4, 11

[Comments on news by Patricio P. Diaz, editor: "Discontent To Watch"]

[Text] Discontentment among Moro National Liberation Front returnees is evident. This has been voiced out by returnee leaders in Maguindanao and in Lanao del Sur.

About two weeks ago, Pampook Assemblyman Nur Mabang, alias Commander Miranda in the MNLF movement, observed the sliding back of traditional Maguindanao leaders to the pre-martial law type of leadership. And he wondered if it would be necessary for the returnees to go back to the hills.

As if to dampen the Ministry of Defense's new release that MNLF Chairman Nur Misuari may come home and surrender under certain guarantees and terms, Malaya last November 10 came out with an item headlined "Ex-MNLFs Poised for 'New War'".

The item, cited three top MNLF surrendered commanders, bared the disenchantment of the returnees which may compel them to "resume armed struggle." The government had failed to fulfill its promises and "some favored Muslim chiefs" had taken advantage of the vast number of returnees to amass wealth.

Sultan Meno Manabilang alias Commander Lumbus, chairman of the executive council of the Commander Returnees Association for Unity and Development, charged that:

1. A P2-billion fund intended for the rebel returnees had been loaned to 300 corporations favored by a clique of "favored Muslim chiefs" and government and military officials.

2. The clique had maneuvered to acquire presidential grants of logging concessions and tax-free licenses to import canned sardines and electronics equipment.

3. The clique exploits commander returnees to obtain presidential favors and whatever privileges they obtain they keep these for themselves.

Another MNLF surrendered commander, Sobair Macabinta alias Commander Bert, also from Lanao del Sur like Sultan Meno, surrendered with 600 men in 1978. Since then, he charged:

1. Only 20 of his men had been resettled in Kapai Settlement Project in Lanao del Sur. The rest were not and neither had they been given income-generating projects as promised by then Southcom commander Brig. Gen. Romulo Espaldon.

2. The Kapai Settlement Project which had been intended for his men was given to non-rebels at a price.

3. None of his men were employed in the government and military service as promised.

A third MNLF surrendered commander, Baron Macalangun alias Commander Boni, while Bukidnon-based, belonged to the Northern Mindanao Revolutionary Council of the MNLF.

Since he surrendered in 1978, he said, he had been jobless. General Espaldon promised his integration with the Philippine Constabulary but this did not materialize. He is now living in Manila by dole outs.

It appears that one evident root of the discontentment is the unfair sharing of the "spoil"--the huge fund and many privileges the government had given out but were enjoyed only by some favored few together with some non-MNLFs close to Malacanang.

It also appears that another root cause is the non-fulfillment by the government of its promises to give every rebel returnee and his family some means of livelihood.

The Moro Problem then is back to square one--to the pre-rebellion days, before the last week of February 1973 and earlier--only that this time some of the former commanders are now in the shoes of the traditional leaders who, together with grievances against some Christians and the Manila government, caused the MNLF rebellion.

Are the returnees capable of resuming the armed struggle? Some of the returnees are not firsttime returnees. Many of the guns had not been returned, so kept somewhere, or they were allowed to keep their guns. [as published]

The threat to resume war, if taken seriously, would be another big headache for the Manila resumption of war would strain further the capability of the Armed Forces. [as published]

Under the present economic crisis, the government can no longer afford to satisfy the grievances of the commanders. THe government can only hope that they are bluffing. If not, a bigger crisis looms.

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COTABATO POLICE CHIEF ON NPA MASS BASE BUILDING

Cotabato City THE MINDANAO CROSS in English 9 Nov 85 p 12

[Text] Cotabato Metropolitan District Command (Comdiscom) chief Lt. Col. Dimasirang Unte bared the three-stage operation plan of the elements of the Communist Party of the Philippines/New People's Army (CPP/NPA) in establishing their mass base in the city and the environs.

While their presence here is not alarming, he cautioned the residents of their strategies which are undetected at the early stages except their influence over the student councils.

Citing intelligence reports, Unte pointed out that elements of the CPP/NPA pose as agents in promoting commercial products in their house to house visits and establish the identities of the households.

Houses are numbered for the visit of another group posing as missionaries but later insinuating unrest among the household members. This second strategy, Unte hinted, is the agitation period as the complex crises confronted by the government are exposed to the masses.

The areas of their operations, Comdiscom revealed, cover the districts of Malagapas and Pansacala at Rosary Heights and back of the slaughterhouse at the Supermarket.

The third strategy is the liquidation of baranggay leaders who refuse to cooperate to the cause of the CPP/NPA, Unte warned.

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ARMY ADOPTS NEW RECRUITMENT PROCEDURE

Cebu City SUN STAR DAILY in English 25 Nov 85 p 36

[Text] Brig. Gen. Benjamin M. Divinagracia, commanding general of the Army's 3rd Infantry (Spearhead) Division, bared the new recruitment procedure of the Philippine Army (PA) in his regular weekly troop information and education program recently in Camp Lapulapu before enlisted personnel and officers of his command.

According to Divinagracia, the new procedure calls for constant weeding out of misfits and those with low potentials, starting from the ranks of third class trainees up to draftees, so that only the cream of the crop will constitute the corps from which enlistees will be taken.

The general further stated that qualified civilian applicants for enlistment will have to undergo a three-month candidate soldier training before enlistment into the regular force to screen them. However, the candidate soldier training will be implemented next year.

This new procedure is designed to improve the quality of the rank and file personnel of the Philippine Army by maintaining the corps of personnel who are well motivated, disciplined and dedicated to the service of his country and fellowmen, Divinagracia added.

In a related development, the commanding general directed the infantry battalion commanders to adopt the Scout Ranger team organization as the basic unit. Aside from doing combat mission, each subordinate unit down to squad level is expected to perform civil-military operations when not engaged in actual combat operations.

The troop information and education program is held once a week and is personally handled by the commanding general as a vehicle of educating and motivating the troops of the command to become good soldiers.

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CEBU COLUMNIST CRITICIZES GOVERNMENT ECONOMIC 'DOUBLETALK'

Cebu City VISAYAN HERALD in English 22 Nov 85 p 3

[Commentary by Eddie Gandiongo in the "Overview" column: "Marcos Misinformed on Real Interest Rate"]

[Text] Businessmen were grinning when President Marcos said in his speech at the Cebu Coliseum that the interest rate has gone down to 14 and 15 percent today. Majority believed that the President was misinformed of the real bank interest rate which is from 25 to 28 percent or, he is out of touch of reality having been confined in Malacanang Palace all these years. The person who supplied the interest rate figure to Marcos must be fired.

Administration officials should not talk about the latest inflation rate which is down to less than 15 percent, according to their statistics. The people do not understand this double-talk. What they understand is the latest purchasing power of the peso, that it buys less and less goods; hat companies are not rehiring laid-off workers and the absence of job-creating investments. On the part of business and industry, the inflation rate projected by government is imaginary because the domestic market for goods and services have further shrank. People have no money to buy. What the businessmen understand is that by next year they will have to shell out more money for the Administration's new tax decrees which will force them to pass this on to the consumers in the form of higher prices. Probably this is all a joke, the inflation rate down to 10.70 percent, or probably just to win voters in the coming elections. Does the Administration still willing to stick its neck out on the inflation rate and unemployment? [as published]

Despite the release of the IMF's two tranches of the standby credit, there still has no significance improvement in the economic environment. [as published] Business has remained anemic up to this writing. The much awaited additional assistance from the IMF or the third tranches and new money from the creditor banks is still a question mark. Marcos, Virata, and company are hoping that the releases, both the standby and the new money from the creditor foreign banks will be made next month, so the economy can be stimulated. However relevant indicators shows a delay in the release, possibly in the first quarter of 1986.

It is true, per this column's survey, that price increases of most commodities have slowed down. However, an economic storm is building up in the form of a cumulative combined adverse impact of high prices and unemployment. There are still many firms which are laying-off workers in the guise of retrenchment because of the economic crisis. The aggregate lay-offs since January to the present is alarming. The possibility which is not remote, is that the crime rate will increase and social unrest. With the new taxes and increased taxes on business and industry, the consumers are bound to pick up most of the increases, thus making the purchasing power of the peso less and less.

Public opinion itself is nothing but private gossip which has reached epidemic proportions.

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EXPORT PROCESSING ZONE REPORTED MORIBUND

HK030637 Quezon City SUNDAY MALAYA MAGAZINE in English 24 Nov 85 p 3

[Article by Joey Salgado]

[Text] Government propagandists once painted the expansive Mariveles export processing zone complex as a phoenix, rising from the ashes of a province scarred by war.

Since 1976, the once dreary town of Mariveles in Bataan has been converted into the nerve center of industrial activity in Central Luzon, they claimed. Bataan's workforce is idle no more: the poor man's table is no longer bare, and the empty, cold stare in children's eyes has been wiped away.

But in reality, the noble goals of the Mariveles free trade zone is as elusive, and shrouded in myth, as the Egyptian firebird.

Recent researches, in fact, picture the Mariveles complex as a moribund industrial estate, and its total closure a not so distant possibility.

Bataan Congressman Pablo Roman, who in 1966 proposed the setting up of an industrial complex for his constituents, must be wincing at the slow demise of his dream.

Roman had in mind a free trade zone complex which would generate employment for the people of Bataan. Since investors would necessarily pump in needed foreign exchange, the enclave would bring life to the floundering economy.

Touted as one of the major achievements of the Marcos administration, the Mariveles complex naturally became the object of much scrutiny, both from government agencies which regularly monitor its progress, and private research agencies concerned with the costs of export-oriented industrialization.

The Philippine Government set up three major objectives for the Bataan zone: generate employment, earn foreign exchange and facilitate the transfer of technology from developed countries.

But since the free trade zone fever was also spreading in other parts of Asia and Europe, the government came up with a generous package of incentives enough to make any foreign businessman's mouth water.

Placing advertisements in glossy international magazines, the Philippines was described as an investor's paradise, complete with tax exemptions, tax holidays, access to local capital sources, credit assistance, cheap labor, and a promise of industrial bliss.

Export processing zones, differentiated from regular industrial estates, are defined as "custom-controlled manufacturing enclaves" where industries are allowed to import raw materials and export finished goods free from duties, taxes and import restrictions.

As a government handout proclaimed: "This is to encourage the processing of imported raw materials for re-export while freeing the importer/exporter of the bureaucratic procedures and red tape normally associated with such operations."

By 1978, the Export Processing Zone Authority [words indistinct] created by presidential decree in 1969, hoped to generate employment for some 85,000 workers in 85 business enterprises.

Today, the Mariveles complex houses some 34 firms employing roughly 15,000 employes. The zone workforce, however, is constantly "harassed" by shorter workweeks, rotations, and forced leaves owing to the harsh business climate.

As revealed by a study made by the National Secretariat for Social Action, zone workers are bothered by these threats to their job security. Most of them are subjected to a work schedule of four to five days a week, which translates to lesser pay for the employes and their families.

Overall, employment reduction measures have resulted in the termination of some 4,000 workers, and further job cutbacks are expected this year.

Employment within the zone is far from stable, or as UP Professors Ofelia Angangco and Elsa Jurado put in a study, merely seasonal, since most of the zone companies have western countries as their markets.

At the most, peak employment occurs during pre-Christmas and summer seasons in the West. Expectedly, after the artificial employment boom, companies necessarily resort to job cutting measures.

During peak seasons, forced overtimes are resorted to, with 70 percent of the companies within the zone ordering workers to stay on the job from a minimum of 12 hours to a maximum of 21 hours, with only 15 minutes are rest periods every hour.

Despite these, however, wages are generally not standardized, and employes' earnings fall roughly 6 percent below mandated wages. In a consultation with zone unionists, the NASSA, the social action arm of the Catholic Bishops' Conference of the Philippines, found out that in several firms, workers are paid only P20 including allowances.

Technology transfer is as elusive as the goal of massive employment. "The very structure of the zone," notes the two UP professors, "militates against the transfer of technology, production techniques and managerial skills."

Research and development materials, the core of technology, are neatly tucked away in the safety vaults of the mother companies, far from the reach of Filipino workers and businessmen. Zone workers said they have yet to see actual technology transfer, since most of the zone firms are categorized as light industries engaged mostly in repacking and reassembling. In their eyes, the Mariveles complex is just part of a world-wide conveyor belt covering the whole of Asia and the Pacific.

Although some 152 workers have been sent abroad for training in their respective firm's head offices, the number is still considered insignificant, the research said.

And since zone companies are categorized as light industries, the production process is of the "batch-type," giving the worker little adequate skills to make it on his own once he leaves the zone.

Zone earnings can hardly be considered substantial. In 1982, zone authorities estimated that export earnings from the zone would reach about $1.4 billion from 1974 to 1979.

Actual exports, however, amounted to only $279,823.2 million and actual imports $232,916 million resulting in a net foreign exchange earning of only $43,907.2 million.

Since zone companies are free to send home their earnings, very little foreign exchange is left for reinvestment. The offer of adequate financial help, says the UP paper, clearly reduces the rate of reinvestment since zone based companies are prone to borrow from domestic credit sources.

All these have come to bear on the zone workers, who in the face of adversity, have found strength in collective action. Militancy has characterized the zone's workforce since 1982, when some 20,000 employes walked out of their jobs to protest the arrest of striking unionists at Inter-Asia Containers, Inc.

Labor unrest has scared zone investors out of their wits that EPZA administrator Renato Cayetano proposed the banning of strikes within export enclaves. What he got was a lot of flak from the laborers, organized under the Alyansa ng mga Manggagawa sa Bataan [Alliance of Bataan Workers], who threatened to paralyze zone operations should the strike ban push through.

So what happens now to the Mariveles complex? At the moment, the Labor Ministry says the zone is strike-free and there are no brewing disputes. But zone workers have started to become more active in political protest actions, the last one held early this year against the Bataan nuclear plant. Some

10,000 workers left their jobs, much to the consternation of management, to join barricades set up throughout the province.

With investors rapidly pulling out, and the workforce perenially restive, it appears that the days of the Bataan zone as a government showcase are numbered. Shall we then consign it to memory, close it down, and mark it as another monument to failure?

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ECONOMIC INDICATOR ON FALL IN TRADE DEFICIT

HK061543 Manila BUSINESS DAY in English 6 Dec 85 p 2

["Economic Indicator" column: "Trade Deficit Drops"]

[Text] The trade deficit during the first nine months of the year amounted to $386.69 million, down 32.12 percent from $569.70 millon in the same period last year, latest Central Bank data show.

Import fell 16.23 percent to $3,860.96 million from $4,609.23 million.

Exports also dropped, because of declining prices and the softening demand, but by a lower rate.

Trade with the United States during the nine-month period resulted in a surplus--exports exceeded imports--of $271.11 million, down 16.43 percent from $324.39 million in the same period last year.

Trade with Japan yielded a surplus of $139.39 million, down 29.52 percent from $197.77 million.

A surplus also resulted from trade with the European Economic Community, amounting to $130.89 million, for a turnaround from a deficit of $39.7 million.

Philippine External Trade
January-September 1984 and 1985
(FOB [Expansion Unknown] Value in Thousand U.S. Dollars)

	Imports		Exports	
	1985	1984	1985	1984
All Countries	3,860,963	4,609,230	3,474,275	4,039,535
United States	958,929	1,236,175	1,230,037	1,560,565
Japan	529,315	604,290	668,700	802,055
European Economic Community	318,133	539,766	449,021	500,066
Middle East Countries	452,556	753,378	48,710	51,680
ECSAP Countries	1,063,104	1,006,340	707,269	695,480
Socialist Countries	265,088	173,527	96,562	93,154
Other Countries	273,918	295,754	273,976	336,535

	Surplus (Deficit)	
	1985	1984
All Countries	(386,688)	(569,695)
United States	271,108	324,390
Japan	139,385	197,765
European Economic Community	130,888	(39,700)
Middle East Countries	(403,846)	(701,698)
ECSAP [expansion unknown] Countries	(355,835)	(310,860)
Socialist Countries	(168,446)	(80,373)
Other Countries	58	40,781

Source: Central Bank

/9599
CSO: 4200/366

CENTRAL BANK REPORT SHOWS WIDER TRADE GAP

HK050950 Quezon City ANG PAHAYAGANG MALAYA in English 27 Nov 85 p 7

[Article by Maria Rosa Ocampo]

[Text] The Philippine economy during the third quarter is worse off then it was during the first six months of the year as payments deficits continue to widen while exports and production shrink.

In his third quarter report to President Marcos, Central Bank Governor Jose Fernandez said the balance of payments (BOP) deficit or excess dollar spending over earnings reached $279-million. A restructuring of $336-million worth of foreign debts trimmed the BOP deficit to $237 million.

When adjusted for arrears, the BOP posted a $101-million surplus, which is still far lower than the $2.4 billion surplus during the second quarter and the $137 million surplus in the 1984 third quarter, Fernandez said.

Moreover, the $172 million current account deficit posted during the third quarter was worse than the $100 million deficit during the second quarter.

The country continues to import more than it exports from January to September. Total exports slowed down by 14 percent to $3.47 billion while imports went down by 16.2 percent to $3.86 billion.

While inflation or the rate at which prices increase slowed down to 13.8 percent, production continued to go down. Output dropped by 3.8 percent during the second quarter.

The production decline is caused largely by the zero growth of agriculture and the weak performance in the industrial and services sectors which shrank by 10.2 percent and 8 percent, respectively.

The country's capital accounts posted a $70 million surplus which is lower than the surpluses of $2 billion in the second quarter and $461 million in the 1984 third quarter.

The decline in the capital accounts surplus is traced to the increase in medium and long-term loan repayments and the deceleration of inflows due to the small amount of loans restructured at only $338 million.

Total foreign debts as of September stood at $25.566-billion or $138-million higher than the 1984 level. The increase is due to the expanded debts of the bank sector and increase in export advances.

Of the total foreign debts, 65.6 percent were incurred by the non-banking sector, 32.9 percent by the banking sector and 1.5 percent by export advances.

Net direct investments during the third quarter went up by $52 million in the form of new foreign investments, reinvested earnings and technical fees and others converted into equity.

/9599
CSO: 4200/366

DEBT RESTRUCTURING AGREEMENTS TO BE SIGNED EARLY JANUARY

HK051607 Manila BULLETIN TODAY in English 5 Dec 85 p 17, 18

[Text] The Central Bank [CB] is confident that the six largest public corporate borrowers, including itself, can sign their debt restructuring agreements with their respective creditors by the first week of January.

Informed sources revealed yesterday that the draft agreements for the debt restructuring are now being formalized by the CB, National Power Corporation, Development Bank of the Philippines, Philippine National Bank, Philippine Airlines, Philippine National Oil Co. and National Investment and Development Corp. with their respective servicing banks.

These public sector borrowers account for about three-fourths or $2.77 billion of the $3.7 billion in total restructurable public sector foreign debt which, in turn, is part of the $5.8 billion total debt, representing principal maturities between October 17, 1983, and December 31, 1986, which the Philippines is rescheduling into a new 10-year loan.

The sources said that not all of the creditors involved are expected to sign the restructuring agreements by the first week of January since there are hundreds of them. They said that participations in the original loan syndications were widely distributed because of the usual practice of inviting as many banks as possible into a syndicate.

As a condition-precedent to the release of the final installment of $325 million of the new money facility provided by the country's existing creditors, restructuring agreements covering at least 50 percent the total restructurable public sector debt needed to be signed.

The same sources explained that signing of the agreements for this purpose only requires the signatures of the borrowers, the Philippine government as guarantor of the restructured loan, and the servicing bank.

"Certainly it will take some more time before all the signatures of all the creditors are obtained," the sources who are close to the negotiations pointed out, adding that such process would take even after January.

The borrowers are now in close touch with their servicing banks in finalizing the agreements, they added.

It was learned that the CB has Manufacturers Hanover Trust of New York as its servicing bank, the PNB, NIDC and PNOC, Chase Manhattan Bank; the DBP, Bank of Tokyo; the NPC, Bank of America; and Pal, Chemical Bank.

The CB expects to draw the $325 million final tranche of the new money by January. But before this, it needed first to get the nod of the executive board of the International Monetary Fund to draw on the third and fourth tranches of the standby credit facility of SDR [standard drawing rights] 212 million by the last week of this month. The second installment of $175 million from the new money will come shortly thereafter.

/9599
CSO: 4200/366

SAUDI ENVOY SAYS BLEAK IMAGE DISCOURAGES INVESTMENT

Cotabato City THE MINDANAO CROSS in English 2 Nov 85 p 12

[Text] Foreign investors are reluctant to invest in the Philippines as information about the country's potentials and conditions are bleak. This was stated by Ambassador to the Philippine Fouad Hassan Faki of the Royal Kingdom of Saudi Arabia in his visit to Cotabato City this week as part of his educational tour and goodwill mission.

He said the foreign press does not speak well of the Philippines because of negative information passed onto them and even Filipinos discourage foreigners to invest here. He cited Enrique Zobel, a business tycoon of the Ayal Conglomerate in Makati, Metro Manila, who encouraged foreigners to shy away from the country. This black propaganda, he said, influenced foreign investors.

The ambassador proded the Philippine embassies abroad to counter-act these adverse information by providing foreign countries with facts about the conditions obtaining in the country. He said the people in Saudi Arabia know of the Philippines as merely a source of labor manpower.

One local leader suggested the extension of agricultural loans from Saudi Arabia to activate the country's idle public lands. The dignitary welcomed the financial tie-ups between the two countries but urged the leaders to change the negative image injected by some sectors about the country and to provide foreign investors with the proper information on resources.

MNLF Issue

Reiterating Saudi Arabia's stand on the conflict in Southern Philippines, Ambassador Faki said his country will go along with the wishes of the minority but wants the splintered Muslim liberation front leaders to reconcile and unite so the government may formally negotiate with a unified front pursuant to the Tripoli Agreement which the Organization of Islamic Conference (OIC) had endorsed when the Moro National Liberation Front under Nur Misuari was then the only recognized front.

He said the issue is an internal Philippine affair and "it cannot be solved from the outside."

Reacting to this, Governor Sultan Mohamad Ali Dimaporo of Lanao del Sur said the Misuari faction is unlikely to come into terms with the government and other liberation fronts as he has turned his back on the Tripoli Agreement.

Dimaporo said Misuari's demands are uncompromising and inconsistent with the Tripoli framework and the policies and constitution of the country. He stated further that the Tripoli agreement will not be implemented if Misuari remains as the chairman.

The governor instead endorsed the leadership of either Hashim Salamat of the Muslim Islamic Liberation Front or that of Dimas' group. With their chairmanship, he said, the conflict in the South may likely be settled.

He brushed off the threat of the MNLF that the Mindanao conflict will escalate next year if the Tripoli Agreement is not implemented. He said revolution in the Philippines will succeed after a military coup or when the people rise in arms due to a corrupt administration and when a powerful country like China and Russia will support the move.

Chairman Amelil Malaguiok of the Lupong Tagapapaganap ng Pook 12 agreed with the ambassador and Dimaporo that the Mindanao conflict can only be solved within and not through the interference of the foreign states.

/9274
CSO: 4200/421

GNP DECLINES, ENTREPRENEURIAL INVESTMENTS INCREASE

HK051040 Quezon City ANG PAHAYAGANG MALAYA in English 28 Nov 85 pp 1, 2

[Text] Gross national product or the total value of goods and services produced during the first 9 months of the year went down by 3.26 percent to P66.65-billion from P68.91-billion during the same period last year.

In another development President Marcos said that despite the economic crisis, the average Filipino entrepreneur remains "undeterred," as borne out by a 71 percent increase in investments in small- and medium-scale industries.

Economic Planning Minister Vicente Valdepenas yesterday said the GNP for the whole year is expected to settle at a negative growth of 3 to 4 percent. Only the agricultural sector showed positive growth while the industrial sector is declining.

Valdepenas said the industrial sector shows no promise of positive growth as growth decline during the first 9 months was recorded in the manufacturing sector (7.1 percent) and the construction sector (2.1 percent).

Agriculture, however, showed a positive growth of 1.46 percent as coconut increased by 24.5 percent, banana, by 16.2 percent, and fisheries by 7.45 percent.

The initial reports showed that the export shipment for October went down tc $372-million from $454.5 during the same period last year, Valdepenas said.

He said the 28 merchandized exports all posted increases, except for five commodities: gold copra, and manufactured tobacco, shrimps and prawns and coffee.

Exports totalled P4.9-billion, compared to imports worth P4-billion.

President Marcos cited yesterday the substantial growth in Filipino investments in small- and medium-scale industries as a boon to the country's self-reliance program.

The president said the average Filipino entrepreneur is basically undeterred by the economic crisis as reflected in a 71 percent increase in the volume of small-and-medium investments among local businessmen.

The president expressed this view during a farewell call at Malacanang of Spencer Davis, former ASSOCIATED PRESS bureau chief in Manila, who came here on an observation trip of the current situation obtaining in the country.

"We have a little more leeway when our local entrepreneurs continue to invest their money in productive activities," the president said.

He stressed that the current investment growth is a solid indication of the confidence in the economy of the more creative Filipino entrepreneurs.

The president said this upward swing of investments is expected to continue as the economic recovery gains momentum.

The president noted that the inflation rate has declined from 62 percent in October 1984 to only 10 percent in October this year.

He said the Philippines is the "only country that has succeeded out of about 35 which are seeking help from the International Monetary Fund (IMF) in lowering inflation."

In addition, the President said, interest rates on credit are now down to about 17 percent as compared to about 42 percent last year.

"We now have more leeway in the public spending program with the relaxation of the level of the budget deficit from P6.2 billion to P13 billion for 1985.

With the liberalization in the budget deficit, the government can expand such priority programs of the government as palay buying by the National Food Authority (NFA) at the support price of P3.50 per kilo.

By increasing the NFA's palay-buying program, the President said, the country's farmers can get a better price for their harvest at a time when the country is expecting a bumper rice crop.

Moreover, the government can now pay meritorious claims of public works contractors, for price escalation which will in turn stimulate the overall infrastructure program.

/9599
CSO: 4200/366

OPPOSITION DISUNITY CONTRIBUTING TO LOCAL DISENFRANCHISEMENT

Cebu City SUN STAR DAILY in English 26 Nov 85 p 4

[Commentary by Manuel S. Satorre, Jr.: "Opposition Disunity"]

[Text] Years ago, when we called the attention of Cebu opposition leaders about the disenfranchisement of Mandaue and other cities in the province, nobody minded us. We kept on telling them that if those cities aren't allowed to vote for provincial officials, they'll be in trouble when local elections come. And we were proven right. But none from Cebu opposition cared because they were still busy organizing demos and all sorts of political activity. It's only now that they've filed a bill in the Batasan to have Mandaue's voting rights restored. We doubt, however, whether they could push this in the assembly. It's still controlled by the KBL and the local election is just around the corner. They should have listened to us a long time ago.

/9274
CSO: 4200/421

PHILIPPINES

BRIEFS

KAAKBAY FORUM--The second month forum of KAAKBAY will be held at the Asian Institute of Management on 29 November at 6 p.m. The forum, "Amid Election Fever, the Prospect of a Coup d'etat," aims to analyze the possibility of a coup d'etat given the present political climate. Like its well-attended forum on the Red scare, the forum will be conducted using a TV-talk show format, with Atty. Fulgencio Factoran, Jr., MABINI Chairman and KAAKBAY Executive Board member, as moderator. The panel consists of representatives from the military, such as Gen. Crispin de Castro (ret.), the academe, such as UP Professors (and KAAKBAY Executive Board members) Edmundo Garcia and Randolf David, and the business sector. [Text] [Quezon City VERITAS in English 1 Dec 85 p 15] /9274

'WAR CHEST'--Presidential elections may or may not be held this February but the First Lady Imelda Marcos is not leaving anything to chance. The war chest is brimming and a high caliber campaign staff is in place. She has touched base with the major political barons, and emissaries will probe key Opposition ward leaders for possible deals. Campaign banners, streamers and T-shirts simply stencilled "Marcos for President" are ready for national distribution on very short notice. In case FM's health takes a turn for the worse, FL will run in his place. What would happen to our various loan requests and how much could we expect from the international banks should FL be a candidate for president or vice-president? "Not a dime," say our creditors. [Text] [Manila MR. & MS. (Special Edition) in English 29 Nov-5 Dec 85 p 24] /9274

LOBREGAT 'PESO GIFT'--Banker-industrialist Eduardo "Danding" Cojuangco gives away fancy cars to his friends at a drop of a hat. But his generosity is even in a much larger scale with his close business associates. At the tail-end of a United Coconut Planters Bank (UCPB) board meeting, Danding announced that each bank director would receive a brand new Mercedes Benz as a special bonus. Bank director and coconut federation president, Maria Clara "Caling" Lorenzo Lobregat, was to receive something more than a new car. She was handed a carnation carton suffed with cash. Euphoric about her unexpected bonanza, Caling Lobregat walked out of the meeting trailed by an aide carrying the carton full of cash. She would dip into the box and hand out a fist full of bills to surprised bank employees she met on the way to her car. [Text] [Manila MR. & MS. (Special Edition) in English 29 Nov-5 Dec 85 p 24] /9274

VALDES EXPANSION--Is there something sinister about the giant accounting firm SGV? Is its managing partner, Washington Sycip, conspiring with its rivals with the help of the U.S.? Is SGV the vehicle through which a former partner and now Prime Minister Cesar Virata exercises control over quasi-public and government-controlled corporations? The Waray group definitely believes so. In a move designed to break the SGV monopoly over this strategic service industry, the Warays are prodding rival accounting firm, C. J. Valdes, headed by Philippine Ambassador to Japan, Carlos "Charlie" J. Valdes, to expand its corps of professionals and widen its range of management services so that it can handle private and government clients which will be thrown its way. [Text] [Manila MR. & MS. (Special Edition) in English 29 Nov-5 Nov 85 p 24] /9274

INFLATION DECREASE--Manila, 3 Dec (AFP)--The Philippines' annual inflation rate dipped to 6.89 percent in November, the lowest since a severe economic crisis exploded in late 1983, President Ferdinand Marcos said today. The rate, which compares consumer prices to their levels exactly a year ago, had reached a peak of over 63 percent in October 1984 and was down to 10.74 percent in October this year. A Presidential Palace statement said Mr Marcos, reviewing a report by the National Economic Development Authority (NEDA), attributed the drop in inflation to "the continuing stability of consumer prices throughout the country." Mr Marcos urged the public and private sectors to be "doubly vigilant" in maintaining the low inflation rate in the country, which has the most successful anti-inflationary program among 35 debt-ridden nations undergoing austerity measures, the palace said. [Text] [Hong Kong AFP in English 1107 GMT 3 Dec 85] /9599

JAPANESE FLOOD CONTROL FUNDING--A total of 72 million pesos has been allocated from the Overseas Economic Cooperation Fund [OECF] of Japan for the rehabilitation of flood-control pumping stations in Metro Manila starting in January. In a report to Public Works and Highways Minister Jesus Hipolito, director Samuel Fabellon of the National Capital Regional Office said the OECF has assumed the rehabilitation as part of its existing contract agreement with the ministry that calls for, among others, its maintenance of the stations. The OECF undertook the major financing of the flood control facilities until their installation at the mouths of esteros [canalways] or tributaries leading to the Pasig river in Manila, Pasay City and Makati in Metro Manila in 1974 [as heard]. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 5 Dec 85] /9599

CSO: 4200/366

THAILAND

CHAT THAI MP URGES PREM TO RESHUFFLE CABINET

BK050940 Bangkok NAEO NA in Thai 5 Dec 85 pp 1, 3

/Text/ Aram Lowira, Chat Thai MP from Chaiyaphum Province yesterday afternoon (4 December) sent his representative to deliver a letter to the prime minister's secretary general, Lt Gn Chantharakhup Sirisut, to pass on to the prime minister. The letter asked the prime minister to reshuffle his cabinet and cited many reasons such as the country's economic slump, weak financial condition, shortage of money to finance development of the country, insufficiency of tax collection system, aggravating unemployment, falling agricultural prices, and the unsolved problems now facing farmers, the majority of the people. Although attempts have been made to boost paddy prices, the money never reaches the hands of farmers due to the lack of effective measures and insufficient and corrupt practices of government officials which have caused some 6 billion baht in losses for the government.

The letter said that each cabinet member always tries to unscrupulously defend his party's interests and is insincere. Corruption is now endangering the country's stability and the people's livelihood. If this cabinet is allowed to continue administering the country's affairs, the problems will be further aggravated and adversely affect his excellency the prime minister's good reputation.

As a representative of the people, the writer reaffirmed that what he wrote was true and that he had no intention of having his Chat Thai Party included in a new coalition. In conclusion, the letter said: His excellency the prime minister is therefore asked to exercise the power rendered to him by the people to reshuffle the cabinet as it is deemed appropriate.

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CSO: 4207/97

THAILAND

MALAYSIA'S PARAMOUNT RULER ARRIVES FOR VISIT

BK170834

[Editorial Report] Bangkok Domestic Service in Thai at 0530 GMT on 17 December carries an 8-minute report by its correspondent on the arrival of the Malaysian paramount ruler and his consort. On hand to welcome the Malaysian visitors were his majesty the king, members of the royal family, the Thai prime minister, cabinet members, other senior Thai officials, and members of the diplomatic corps. "The visitors' plane touched down at 0400 GMT. The King, Princesses Mahachakri and Chulaphon and Princess Chulaphon's escort Squadron Leader Wirayut Ditsayasarin went to the plane to welcome the Malaysian paramount ruler and royal consort." The Malaysian paramount ruler proceeded to the platform to receive a 21-gun salute by the honor guards while the Malaysian national anthem was played following by the Thai national anthem. The Thai king then escorted the Malaysian paramount ruler to review the honor guards. The visitors were then escorted to the Air Force reception room at the airport, where they were introduced to waiting members of the Thai royal family. The king then escorted the Malaysian paramount ruler in his limousine to the reception site set up by the Bangkok Metropolitan Administration. Here, the Bangkok governor formally welcomed the visitors to Bangkok. The Malaysian paramount ruler then delivered a speech expressing appreciation for presenting him with the key to Bangkok City, about which he said: "I consider it a great honor not only to me but to the people of Malaysia." The Malaysian visitors then left for the Grand Palace, where they will stay during their visit.

/12640
CSO: 4207/107

BANGKOK DAILY ON UK WITHDRAWAL FROM UNESCO

BK091012 Bangkok SIAM RAT in Thai 9 Dec 85 p 2

/Chaiwat Yonpiam Column: "Britain and UNESCO"/

/Text/ As of 1 January, 1986, about 20 days from now, UNESCO will lack an old member-country who is also a cofounder of the organization--Britain.

Britain has followed all the procedures stipulated by the regulations since the beginning of this year, when it announced that it was considering withdrawing from the United Nations Educational, Scientific, and Cultural Organization. The regulations call for 1 year's advance notice of intent to withdraw. Last week, Britain announced its firm intention to withdraw from this organization as a contributing member. Because of the regulations, Britain's pullout from UNESCO comes as no surprise to anyone. However, it is still a hot issue.

The London Government has charged that UNESCO's management is going beyond its set target and that its project decisions are influenced by politics. Britain, especially Thatcher's conservative government, is not pleased with the politicization, which is biased toward Third World communists. Britain announced it was considering withdrawal from UNESCO in order to let UNESCO reconsider its role and carry out reforms. Last week, it opened its mouth again and said that UNESCO had failed to improve itself, and in particular that UNESCO uses about 80 percent of its budget--contributed by its members--to employ officials to work in its head office in Paris only.

Britain contributed 4.5 percent of UNESCO's budget. Assistant Foreign Minister for Overseas Development Timothy Raison told the parliament that the government will rechannel funds that would have been contributed to UNESCO to train students from less developed countries--from both the commonwealth and other countries--in scientific studies such as land and water resource management in remote areas of Asian and African countries.

It is sure that Britain's withdrawal from UNESCO will have an adverse impact on the organization. Its revenue was cut by one-fourth when the United States pulled out at the beginning of this year and it will be cut further when Britain pulls out. However, the loss of revenue is not as important as the damage done to its reputation. It does not remain neutral as it is supposed to as UN organization.

The United States will surely be pleased with the pullout decision in London. This can be interpreted from the tone of a U.S. Government spokesman who remarked briefly that "the United States understands Britain well." How and in what way the Americans understand depends on each one's interpretation.

However, other friends of Britain have expressed some regret over its decision. They /word indistinct/ that Britain's remaining in the organization would help press UNESCO under the management of Sengalese proleftist Amadou Mahtar M'bow, the director general of UNESCO, to correct its bias. Britain's allies who are of this opinion include many countries in West Europe, Japan, and the Commonwealth group. The latter must of necessity oppose Britain's decision because it is a beneficiary of and not a contributor to UNESCO.

However, the British see that Britain is following the buttocks of the Americans, especially of Reagan. The United States pulled out of the organization first and thought that it could persuade Britain to follow suit.

Looking into the future, the pullouts by Britain and the United States might not be simply a matter of fashion or opposition to the policy of M'bow's UNESCO, because several other countries have also whispered that they are considering following the United States and Britain. Obviously, Lee Kuan Yew's Singapore will pull out in 1987.

/12228
CSO: 4207/97

MATICHON VIEWS 'BENEFIT' OF 3 DECEMBER BAHT DROP

BK061513 Bangkok MATICHON in Thai 5 Dec 85 p 4

/Editorial: "Another Devaluation of the Baht"]

/Text/ The Bank of Thailand's Exchange Euqalization Fund announced on 3 December the fixing of the median rate for U.S. dollar selling and buying between the Bank of Thailand and commercial banks at 26.69 baht to the U.S. dollar instead of 26.19 baht to the dollar. This means a depreciation of the baht by 50 satang per dollar.

This is the third devaluation of the baht after the devaluations in 1981 and 1984. Since the last devaluation in November 1984, the baht has been depreciated by another 3 percent based on the formula used by the Bank of Thailand to calculate currency values.

Two questions spring immediately to the mind of the public: What is the reason for this devaluation inasmuch as the previous devaluation was only a little more than 1 year ago, and, how will the current devaluation affect the overall economic situation of the country.

In its announcement the Bank of Thailand gives two major reason for this devaluation. First, the daily exchange rate fixed by the Exchange Equalization Fund was not realistic in view of the state of the economy. The baht value was too strong compared to other currencies. Second, the unrealistically strong baht caused difficulties for exporters by making the cost of exports from Thailand too high to compete with those from other countries. Sources in the financial circle said there had been strong pressure from exporters for another baht devaluation.

It is believed that the depreciation of the baht by 50 satang will benefit first the exporters, and then the farmers. The depreciation should spur export activities as crops are ready for marketing and shipping.

Meanwhile, those who suffer from this devaluation will inevitably be the importers. They will have to pay more for imported items. Those committed to foreign loans will also have to shoulder a heavier burden in debt repayment. Anyway, taking into consideration the country's need to boost exports and reduce imports in line with the policy of austerity, this depreciation of the baht rather seems to benefit the country.

/12228
CSO: 4207/97

MAGAZINE VIEWS LEGAL ACTION AGAINST COUP PLOTTERS

BK090555 Bangkok WIWAT in Thai 3-10 Dec 85 p 4

/Editorial: "Amnesty"/

/Text/ Regarding a possible amnesty for suspects in the 9 September coup attempt, it is odd that a senior national official reportedly had to ask a leader of a political party: What would you do if you were me? The reply he received was: Let the legal process take its course.

Some people claim that for the sake of reduced tension the coup suspects should be given amnesty. Their reason does not seem reasonable either. But if a poll is taken among military officers, there are reasons to believe that most would favor an amnesty. A military officer reasoned that the vehement call by certain senior military officers for legal action against the coupists and opposition against amnesty could only evoke a reaction to the effect that a firm decision should be made about what action should be taken against the coupists.

For democracy lovers, an amnesty for coupists runs counter to principles. They oppose coup attempts and the use of force. But a random survey of these people could show that they do not think the 9 September coupists sought dictatorship.

Given a choice, many would rather associate themselves with the 9 September coupists than with some political groups currently in power, feeling that the objectives of the 9 September coupists would not have affected popular rights and liberty too much. Some people even felt that the coup attempt was the result of conflict among powerful individuals. Thai society does not always sympathize with losers; but many in our society feel that the winners are far from perfect.

Thai society is much more complicated than to come to an easy conclusion that the 9 September coupists are bad individuals. Of course, principles of law must be maintained but many times in our country the winners were able to avoid the law.

Some politicians have proposed that the government state in the Royal Gazette if aggressive, antigovernment actions of senior government officials should be regarded as illegal or lack of discipline. Intelligence units several times detected actions of senior officials aimed at toppling the government. Even the prime minister had to seek security after the latest devaluation. These events are not difficult to detect in Thailand but it appears that legal action is taken only against the losers.

The juridical system has always been flawless in maintaining the law but the /word indistinct/ prior to the adjudication many times turned the law into a matter of power and a matter of winning and losing.

We now have many categories of political prisoners--those violating the institutions' sacrosanctity or the communist act or those convicted of rebellion. If we look at these people without prejudice, what they have in common is their dissatisfaction with the existing society. If we are sure that our society is now satisfactory, there is no question that the legal process should be used against these people. But many feel that despite the arrest of communists, the claimed successful crush of the Communist Party of Thailand, and the defeat of the past two coup attempts, our society has not improved much. We still have to agree with technocrat Sa-ne Chammarik that dictatorship continues to rule our country, with several senior economists who say that monopolies and the conservative economic structure continue to strongly hamper a fair economy, and with a belief that our society is decaying.

These conditions make it hard to accept that the legal process is the possible action for the coupists; it would be too simple and sloppy as far as justice is concerned.

/12228
CSO: 4207/97

PRINCE ATTENDS ATHIT PARTY FOR BATTALION, SENIOR COMMANDERS

Bangkok DAILY NEWS in Thai 15 Oct 85 pp 1, 20

[Excerpt] At 7:00 pm on the evening of 16 October, Gen Athit Kamlang-ek, the supreme commander and Army commander-in-chief, gave a dinner at his residence at Kasemkomon Bridge for Army battalion and senior commanders and Supreme Command Headquarters personnel directly under his command. Before 7:00 pm, senior officers, such as Gen Banchob Boonnak, military chief of staff, Gen Chavalit Yongchaiyut, Army chief of staff, Lt Gen Phichit Kullawanit, commander of Region 1, Lt Gen Vanchai Ruangtrakul, Army deputy chief of staff, and Lt Gen Suhinda Kraprayoon, Army assistant chief of staff, arrived one by one.

Later at 7:00 pm, the Crown Prince arrived at the function, driving his beige Mercedes Benz 150 E. General Athit and senior commanders stood in line to greet and report to His Majesty. Then the Crown Prince dined together with senior commanders. There was a live band playing music.

A confidant of the military supreme commander disclosed to our reporter during this occasion that last evening's party was a get-together for commanders and their subordinates to promote closeness and develop unity, and for having casual talks. This kind of party has been organized many times.

Later at 8:15 pm, the Crown Prince left and senior commanders left one by one.

A reporter reported that after the Crown Prince left, General Athit gave a speech and urged his subordinates to love each other, be united and not be deceived by various remors.

Lt Gen Kullawanit, Region 1 commander, was interviewed at General Athit's residence before he left. To the question about what the party was for, Lieutenant General Phichit answered shortly that, "It is nothing, just for dining together."

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CSO: 4207/48

PAPER VIEWS DEMOCRAT PARTY-ARMY STRUGGLE

BK120704 Bangkok LAK THAI in Thia 5 Dec 85 pp 20-21

[Article: "Big Chiu-Han: A Storm Is Brewing"]

[Text] Straightforwardly speaking, the political party being attacked both directly and indirectly by the "men in green" is the Democrat Party. The fierce attacks are aimed at discrediting the party in the eyes of the public, especially during the recent Bangkok governor and councillor elections. The army radio attacks unbalanced the party in the election campaigns, causing the party to slow its campaign during the final days to avoid further confrontation in order to maintain the fragile democracy. For the upcoming Bangkok Constituency One by-elections, for which applications will be registered beginning 2 December, the Democrat Party has selected two candidates -- General Han Lilanon, an ex-officer who had passed through the lines of chief of staff and Command; and Khanin Bunsuwan, a young politician and former Social Action Party MP for Chon Buri. It is believed that attacks on the Democrat Party might occur again. When the Democrats start election campaigns, verbal charges against each other can not be avoided because the Democrats' mouths sometimes are not afraid of the others. Their strong words may draw attacks or criticism for several days as has happened in the past.

The political situation between the "men in green" and the Democrat Party, a coalition partner, raises suspicions about who is the "men in green's" target, since General Prem Tinsulanon is the prime minister of the coalition government. Or perhaps it is the start of a political offensive by some important figures who have decided to enter politics in 1986 without extending his government service. However, close sources to this issue see it as a direct attack on the Democrat Party without any intention of affecting anyone else. An understanding had been reached to avoid any impact on somebody else; it will not flog a whipping boy when somebody else deserves punishment. It is like a plan to divide the ox from the horrow rather than attack both. There is a clue showing that at the next cabinet reshuffle, which will occur soon, the Democrat Party should end up in the opposition. The Democrats know this, and have prepared to deal with the situation.

The Democrats are weighing this matter in their minds. There are two choices for them -- to try and handle the situation carefully and be compromising so that it remains in the coalition until the next general elections in 1987, or let the party take the position of "whatever will be, will be." -- That is to be the opposition willingly. The party has to decide which way will help it achieve victory in the 1987 elections. The party has made an announcement, which almost becomes a challenge to other parties, that its leader Phichai Rattakun will become the prime minister in 1987, and that the party will be able to form the government. The Democrats are closely examining these two choices because a wrong decision could slow down the party's growth for several years. There are also signs that a majority feel the partv needs to be more independent in order to win the public's faith in the 1987 elections.

The Chat Thai Party also wants to win more seats at the 1987 general elections so that it will be able to set up its own government without any problem. In addition, news shows that the Prachakon Thai Party, which is on a down trend, is courting the Chat Thai Party -- a party that one of the "Men in green" is interested in. It could be concluded that political parties are vying to win the 1987 general elections outright in order to form the government. They are trying to assess whether the premiership will be changed or will still belong to Gen Prem Tinsulanon since it is difficult to anticipate what direction the military's intervention will cause.

Several political sources see that the reason for the Democrat Party being attacked is that some important figures have lost love for the party, as the result of the party accusing the government of being bad, and even questioning how it could remain in the coalition when the government is no good. This was unexpected previously because the degree to which this big figure has tied his heart with this party is generally known. Moreover, when the Prachakon Thai Party begins shaking hands with the Chat Thai Party, it seems that one our important figures becomes isolated in the wake of political tides. There is only one party -- the Social Action Party -- that he can depend on.

It is known that when Major General Chalmlong Simuang was elected Bangkok governor, the Social Action Party was pleased. Gen Prem Tinsulanon was also happy since at least, he is an old superior of Maj Gen Chamlong. Maj Gen Chamlong Simuang will be an important connection in strengthening the roads from Sisao [Gen Prem's residence] to Suan Phlu [Social Action Party leader M. R. Khurit's residence]. In addition, Gen Chawalit, Army chief of staff, is seen as another person planning political strategy for Gen Prem by coordinating with the power base and political parties. However, Gen Chawalit Yongchaiyut is also suffering political problems like Gen Prem.

Gen Chawalit Yongchaiyut -- "Big Chiu" -- has its own view that he would some day reach the highest administrative post -- the prime ministership -- But, to do this he needs to mature and prepare.

Only Gen Prem can serve as a political springboard for Gen Chawali. If Gen Prem is forced by political storms to leave before Gen Chawalit Yongchaiyut is ready, Gen Chawalit Yongchaiyut's political future will quickly disappear. As a result, an impact on Gen Prem's government also affects Gen Chawalit's future.

Gen Chawalit Yongchaiyut is the Army chief of staff. Will the Army radio attacks on a political party in Gen Prem's coalition government affect the relations between the teacher and the student of this office? It is difficult to anticipate the feelings. But, looking at what is known, the issue is considered normal because in the military circle, the Army radio and TV's attacks on a political party is not the work of the chief of staff because the Office of the Army Secretary, which should know something, still cannot answer anything. There is a special unit in charge of the Army radio which is not under the responsibility of Gen Chawalit Yongchaiyut.

Thus, anyone can see that the Army radio attacks on a political party also effect Gen Chawalit Yongchaiyut because they shake Gen Chawalit's political path. However, he will probably use "silence overcome the problems."

"Big Chiu," Gen Chawalit Yongchaiyut, has to keep himself quite and to follow the situation closely, especially when it effects the Democrat Party. Although Gen Chawalit has no relation with the Democrat Party, he has close relations with Gen Han Lilanon, deputy leader of the Democrat Party who will run in the Bangkok Constituency One by-elections. And was the "target" of the offensive.

Gen Chawalit Yongchaiyut is a brilliant chief of staff. But, his brillance might have been worthless if he had not been given the chance. When Gen Chawalit was still a mid-level officer, it was Gen Han Lilanon who supported him.

When Gen Prem Tinsulanon was promoted from 2d Army Region commander to assistant army commander, Gen Han Lilanon, the then 2d Army Region chief of staff, was also promoted to chief of the Army Operations Department. At that time, Gen Han supported Gen Chawalit thoroughly by arraning for him, then a senior colonel based at the Army Operations Department and Army Operations Department and Army Operations Center, to become what amounted to the personal chief of staff for Gen Prem Tinsulanon, who was concurrently the deputy defense minister and assistant army commander. When Gen Prem became the prime minister and defense minister, "Big Chiu" was promoted to the rank of general as the close aide of the defense minister. Since then, he has risen quickly. When Gen Han left the post of the Chief of the Operations Department to take the 4th Army Region commander post, Gen Chawalit, who was a Maj Gen at that time, replaced him as the chief of the Operations Department.

The attacks on the Democrat Party's aimed directly at Gen Han Lilanon. Thus, Gen Chawalit Yongchaiyut should have some feeling as any ordinary person would have. Gen Prem Tinsulanon, Gen Han Lilanon, and Gen Chawalit Yongchaiyut have well known ties.

The policy emphasizing politics over military actions, which became Order 66/2523 and Order 65/2526, was initiated by Gen Han Lilanon and was effectively carried out by Gen Chawalit Yongchaiyut, and Gen Prem Tinsulanon agrees with it. This is an example of their ties.

When Gen Han Lilanon receives a fierce attack, the person who will be in a difficult position is Gen Chawalit Yongchaiyut, "Big Chiu." No one will be able to anticipate the situation correctly except to suspect that they are some games being played against Gen Chawalit Yongchaiyut. However, no one will know the result, nor will be able to know whether it is the result of different games played by some big figures wearing the same uniform. If that is the case, it means that a storm is brewing; and it will be a big one.

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CSO: 4207/107

RIGHTIST EX-GENERAL CHIDES GOVERNMENT ON 'COUP-MAKERS' ARRESTS

Bangkok DAILY NEWS in Thai 15 Oct 85 pp 1, 20

[Excerpt] At the Indra Hotel during the evening of 14 October, former Maj Gen Sudsai Hatsadin, a retired military officer and "the godfather of the Red Gaurs," organized a gathering of 400 members. Many prominent members joined in this Red Gaurs gathering, including Mr Somsak Kkwanmongkol and others. On this occasion, Major General Sudsai stressed to Red Gaurs members to continue to maintain their ideals securely. Then reporters asked about the reasons for reconstituting the Red Gaurs group. Major General Sudsai replied that the Red Gaurs had never been disbanded, but has remained a group up to the present. They made an appointment to get together again because of the uncertain internal situation, such as the incident of 9 September, when there was a conflict between politicians and the military; on top of that, there have been problems in the economy.

A reporter asked what he thought about the current national situation. Major General Sudsai stated that those who are leading the country are in a crisis and encountering many problems in many areas. A reporter asked about his opinion concerning the 9 September incident. The 'godfather of the Red Gaurs' replied that running the country cannot be perceived as solely a legal matter, but that it must be analyzed in terms of the law; if not, then anyone could be a leader. This applies to the arrests of many military officers during the incident of 9 September, there should have been another way out. A reporter asked about in which direction the group will proceed. Maj Gen Sudsai stated that he must look at how the situation is. He said that the group might just jump into the 'play ground.' Nevertheless, he will try to look for members in general student groups, instead of vocational students solely as it has done, so that its organization would be more complete.

12587/12955
CSO: 4207/48

ISRAELIS TO SELL SOVIET-MADE TANKS

BK141008 Bangkok NAEO NA in Thai 12 Dec 85 pp 1, 16

[Text] An Israeli Army general offered to sell about 500 Soviet-made tanks to Thailand during a secret visit to Thailand in October. However, Thai authorities were concerned over the problem of their being different from Thai weapon systems.

The London-based Jane's defense weekly magazine published in its latest issue on Tuesday, 10 December, that General (Chaim E. Res) of the Israeli Army offered to sell T-54 and T-55 tanks during a meeting with Thai Deputy Defense Minister Air Chief Marshal Phaniang Kantarat during his visit to Thailand. Jane's defense magazine is a publication about defense developments which is highly regarded for its accurate information and news reports.

Israeli Ambassador to Thailand Yitzhaq Navon confirmed to NAEO NA in a telephone call on Wednesday, 11 December, that General (Res) visited Thailand in October. He came here "as a tourist en route to another country." The ambassador declined, however, to reveal that country's name. The Israeli ambassador also acknolwedged that Gen (Res) had met with some Thai officials, adding that such meetings are normal during stopovers. He gave no further details, however.

A Thai official told NAEO NA on the same day that Gen (Res)'s visit to Thailand was a secret one because neither side wanted it to be made known and neither publicized it.

Janes' defense report said the Soviet-made tanks Israel is offering to sell Thailand are modified -- they have an Israeli-made 105 mm cannon and a U.S.-made 8-V 71-T diesel engine which is a new element in the fire control equipment.

Army Secretary Major General Narudon Detpradiyut told NAEO NA in a telephone conversation on the same day that he was not knowledgeable on this issue. However, he acknowledged that the army needs a number of medium-size tanks, although there is not enough in the budget. The army is considering improving the standard of the M-41 tanks it is using.

The army secretary further stated that there is a committee on weapon standards to consider every weapons purchase. At present, the army uses weapons made in the West, especially those from the United States, which are the major weapons used by the army. "There is no indication that we will turn to other systems," he said.

Regarding the Chinese weapons assistance to Thailand, Maj Gen Narudon said it was free aid, adding that Thailand was ready to accept any weapons. "Even if the USSR wants to give us some, accept any weapons. "Even if the USSR wants to give us some, we will accept them."

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CSO: 4207/107

VOPM REPORTS AUTUMN ATTACKS ON THAI HELICOPTERS

BK281638 (Clandestine) Voice of the People of Malaysia in Malay 1230 GMT 27 Nov 85

[Battle report]

[Text] From September to October, a strike force of our army--operating in the southern region where the southern Thai reactionary military authorities are launching a strategic campaign to encircle and crush us codenamed 8502--frequently attacked helicopter gunships and helicopters transporting food for the enemy soldiers. [passage indistinct] As a result, a number of attacking enemy soldiers were shot dead or injured and several helicopters were damaged. During the same period, a number of attacking enemy soldiers were killed or injured by landmines spread by our army in the region. Thus, our army scored new battle victories. At 1045 on 13 September, a helicopter used by the southern Thai reactionary military authorities to transport enemy soldiers landed in a camp abandoned by a unit of our army and occupied by the enemy. A strike force of our army spying from a hill northwest of the camp immediately opened fire with various weapons on the enemy soldiers around the helicopter. As a result, eight enemy soldiers were killed or wounded, and the helicopter was damaged. The helicopter pilot--a major--and two soldiers aboard were injured. The transfer of soldiers could not take place because of our army's ambush. The next day, the southern Thai military authorities bombed the region with artillery and mobilized helicopter gunships to pound aimlessly at the region. Only after the bombing could the enemy soldiers still on the ground be airlifted.

A month later, a strike force of our army successively attacked helicopters on 12, 13, and 15 October. At 1235 on (?12) October, enemy soldiers [passage indistinct] Our strike force, waiting on a hill opposite the camp, immediately opened fire on the helicopter. Knowing that the helicopter was hit by bullets, the pilot hastily flew the badly hit helicopter out of the place. As the helicopter was unable to unload all of the supplies and food on 12 October, the southern Thai military authorities once again mobilized a helicopter to bring supplies and food to the camp. A helicopter gunship came along to protect the helicopter bringing the supplies. The helicopter gunship pounded the surrounding area of the camp with rockets. Later, the helicopter bringing in the food and supplies landed in the camp. However, the enemy bombing and attack did not demoralize our strike force. Our comrades incessantly opened fire on the helicopter as soon as it landed. The helicopter took off hastily after being hit by bullets. As the food and supplies could not be brought into the camp for a second time, the southern Thai military authorities on 15 October mobilized two bombers and two helicopter gunships to protect a helicopter dropping food and other supplies into the camp. On that day at about 1000, the enemy helicopter gunships pounded and fired rockets on our strike force. Immediately, our comrades opened fire at the helicopter gunships. As a result, a helicopter gunship and a transport helicopter were damaged. In October, enemy soldiers stationed in the camp and arriving soldiers frequently stepped on landmines planted by our army. On 14 October, a group of enemy soldiers stepped on landmines outside the camp. At least two men were injured. At the end of October, enemy reinforcements frequently stepped on landmines [passage indistinct] According to statistics, as many as 40 enemy soldiers were shot dead, killed by landmines, or wounded in the region where the strategic campaign to encircle and crush us, codenamed 8502, is being launched. Thus, over the past 8 months through October, as many as 200 attacking enemy soldiers were annihilated by our army in the region.

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CSO: 4213/46

ARMY RADIO DISCUSSES SRV CAPTURE OF TRAWLERS

BK131139 Bangkok First Army Division Radio in Thai 2300 GMT 8 Dec 85

["Sayamanusati" program]

[Excerpts] Good morning, dear listeners: Those who have followed the news must have noted that the seizures of Thai fishing trawlers by Vietnamese sea pirates have become more frequent lately. The victims of those pirates are Thai fisherman. In the past, the danger from sea pirates was not so dreadful because they were simple bandits operating individually. At present, the Vietnamese sea pirates are operating at a national level. This program considers that it has become a serious problem affecting Thailand and Thai fishermen and therefore would like to discuss with our listeners this morning this topic under the title, Sea Pirates at National Level.

Vietnam sent high-speed boats to intercept Thai fishing trawelers in Thai territorial waters. It demanded a hundred thousand to a million baht in ransom for each of the trawelers. The Thai Government paid for the boats, only to find them seized again by Vietnamese speed-boats for another ransom. This has become a cycle. It looks like Vietnam is now short of other means to earn a living. It can also be interpreted that Vietnam is trying to provoke Thailand to become involved in the war in Cambodia.

As for the first count, we feel sympathy for Vietnam because Vietnam is the most miserable nation in this region. It is a cursed nation. Throughout its long history, Vietnam has gone through one war after another -- a war with Thailand, China, the French, other Vietnamese, and finally Cambodia. How can a nation which has spent all its time on war find means for making a living? If you were Vietnam, for example, you would certainly be hard up, because you would spend all your time quarreling with others instead of working. You would finally end up a gangster, either a sea pirate, a hijacker, a communist terrorist, or a secessionist whatsoever, just to make a living.

It is true that the world economic situation is critical at the moment. Our neighbors who once enjoyed a high standard of living now must endure a depression. Singapore and Malaysia, for example. According to a report, Singapore and Malaysia have closed down their stock markets indefinitely pending future notice. Well, countries worldwide are experiencing economic problems. Anyway, it is easier for countries like Singapore and Malaysia to solve their problems as they do not have to bear down the burden of war. The same is true for Thailand. Vietnam, on the other hand, will never be able to solve its economic problem because it is always busy with war. The only option for Vietnam, therefore, is to earn a living as a bandit. Vietnam is now earning an income as a mercenary fighting in Cambodia. It is paid by the Soviet Union. Vientam may think that the war in Cambodia brings it double advantages. That is, first, the money paid by the Soviet Union thus enabling Vietnam to survive, and second, its possible leadership in Indochina if it wins a victory in Cambodia.

Vietnam is already benefiting from the money paid by the Soviet Union in large amounts in order to keep Vietnam on the job as a mercenary in Cambodia. Anyway, in exchange for the money, Vietnam has lost its most valuable thing to the Soviet Union, that is, the sovereign power of the Vietnamese people. Vietnam must do whatever the Soviet Union wants now. Its naval base at Cam Ranh Bay and air base in Danang are under full control of the Soviet Union. The sacrifice of national sovereignty in exchange for money is not an advantage for Vietnam. Vietnam has sold its independence for money to buy food. Vietnam has become a slave to others.

Thus we have come to the conclusion that the Vietnamese people are most pitiable as a nation. There has never in their long history been a time when they were free from war or when they enjoyed full independence. We wonder why the Vietnamese people must endure such a fate. Well, if one really has no other choice but to trade one's freedom and independence for survival, one may be forced into doing it. Anyway, this is not what Vietnam got. Vietnam did not get sufficient money to live properly. Vietnam is suffering a deteriorating economy. This has forced Vietnam to adopt piracy at a national level as a means of making a living. Vietnam sent its boats to seize Thai fishing trawelers for ransoms worth a hundred thousand to a million bhat each. Out of its concern for the life and property of its people, the Thai Government agreed to pay the ransoms in exchange for the trawlers and crewmen. This encouraged Vietnam which has intruded more frequently into Thai territorial waters and seized Thai trawelers. Vietnam is equipped with the Soviet-made patrol boats of higher quality for this piracy operation. The Soviet aid to Vietnam in the form of weapons and hardware is thus tantamount to helping Vietnam perpetrate direct aggression against Thailand.

As for the second count concerning Vietnam's hope to gain leadership in this region if it ever wins the war in Cambodia, this is a dream that will never come true for Vietnam. On the contrary, Vietnam can expect to be under heavier domination by the communist superpower and to never be free again. Yes, under the present circumstance, it seems that Vietnam will have to continue with its sea piracy at a national level. Thai fishermen must be careful for their safety. Please do not approach Vietnam's territorial waters. The money we have to pay Vietnam as ransom is not worth the day's catch. Moreover, that money comes from Thai taxpayers. Thai fishermen must keep away from the pirates as far as possible for their own safety and to save national money.

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CSO: 4207/107

AIR FORCE INTELLIGENCE CHIEF PROFILED

Bangkok DAILY NEWS in Thai 21 Oct 85 p 5

[Excerpt] Today the DAILY NEWS Square column would like to profile the assistant chief of the Air Force Intelligence Department. "He has been a student of Sam Samo Naval Academy, an attack pilot officer, a capable rugby and soccer player and an excellent golfer. Presently he is an Air Marshal and holds the position of assistant director of the Air Force Intelligence Department." Air Marshal Preuangvit Hongsanan was born on 6 October 1927 (he will retire in 1988 because he was born during the fiscal year). He is the son of Mr Preng and Mrs Chalauay Hongsanan. His father was transferred to Udorn so he attended Udorn Pittayakul School and then Amnuaysin School in Thonburi.

When he finished high school, he took the entrance exam for Ketkeo Naval Cadet School and later he attended the Naval Academy. He was a top student and is 1 of 4 in his class to have the right to wear the anchor symbol on his shoulder. Classmates who are still serving in the Navy are Vice Admiral Komut Kamonnawin, assistant director of the Navy Operations Department, and Vice Admiral Sam-ang Trisophon, an assistant commander of the Navy Operations unit. After he finished the Naval Academy in 1949, he moved to the Air Force as a student pilot, Class 19. Air Chief Marshal Pranieng Kantarat, Air Chief Marshal Praphan Tupatemee, commander of the Air Force, Air Chief Marshal Chamnan Phantharayothin, deputy commander-in-chief of the Air Force, and Air Marshal Prasarn Thong-u were his teachers. While a student in Aviation School, he was one of the pilots of Flight 6, which was instructed by Air Marshal Praphan Tupatemee. One classmate was former commander-in-chief of the Air Force, Air Chief Marshal Thakeo Susilavon.

After he graduated from Aviation School, he became an aviation instructor. Many of his students likewise hold the rank of air marshal. While he was an aviation teacher, he went for instrument flight training in Texas in the United States. Then he returned to Thailand and became a training instructor for advanced aviation. He then went to war in Korea in the same group as Air Marshal Prayat Dinsayasarin and was nominated for flight training for the famous 4-engine C-54 airplane Flight B Liner Supply Squadron of the United States; he was nominated to be an IP also. When he returned from Korea, he became the commander of 43rd Squadron, Group 4 (Takhli). He was also the chief of the F-86 Unit Group 9, one of his subordinates of Air Vice Marshal Samad Sotsathit, the current director of the Air Force Operations

Department. There were only two squadrons in Thailand, so Group 4 was very famous. Group Captain Bancha Sukhanusart (his rank at that time) was group commander. After he finished Air Force Staff School, he was nominated to head Group 4. He then took an exam to enter England's Air Force Staff School, which is the top level staff school from which Air Chief Marshal Harin Hongsakul, Air Chief Marshal Panieng Kantarat and Air Chief Marshal Tuanthong Yotawut, the present chief of staff of the Air Force, graduated from. After he returned from England, he was nominated to be the chief of the Policy and Planning Division of the Air Force Operations Department and then he was nominated to be assistant charge d'affairs of the Air Force in Germany and France. He then was nominated to be commander of Group 4 (pursuit group), and then commanded Group 2 at Khok Krathien and was assistant director of the Air Force Intelligence Department and director of the Air Force Noncommissioned Officer School. He then gained the rank of air vice marshal and held the post of director of the Air Force Pilot School. He then became director of the Air Force Intelligence Department and held the post of assistant chief of the Air Force Intelligence Department. He gained the rank of air marshal in 1984. He is considered to have held many important posts in the Air Force throughout his career.

Education: He has gone through all levels of Aviation Officers School, both the Thai and British Staff Schools, the Air Force College and finally the National Defense School, Class 24.

Sports: He was an athlete in school, played rugby and soccer and received outstanding player awards for many consecutive years and lettered in both sports. His present hobby is golf, and he is a 1-handicap player.

Politics: He has been a member of the Legislative Council since 1976 and a senator since 1979. He is secretary of the Ordinary Administration Commission and chairman of the Asia Pacific Confederation Council.

Thai orders: Third Class Commander, First Order (Knight of the Grand Cross).

He married a former star of Chulalongkorn University's Faculty of Pharmacy and has three sons and 2 daughters.

12587/12955
CSO: 4207/48

NEW BORDER PATROL POLICE CHIEF PROFILED

Bangkok DAILY NEWS in Thai 14 Oct 85 p 5

[Excerpt] Pol Lt Gen Pravit Vongviset, who replaced Pol Lt Gen Mano Samitaphintu, is the latest Border Patrol Police chief. He was born on 12 September 1929 In Srisachanalai District, Sukhothai Province. He is the son of Mr Yotha and Mrs Pheng Vongviset, and the 5th of 7 children. One of brothers is Lt Gen Poon Vongviset.

Education: He attended Kemsirianusorn Primary School, Amnuaysin Middle School and High School and then the Army Academy, Class 6. He received a bachelor's degree from Pathumwan Police Academy, Class 2. He studied criminology in the United States.

Work Education: The new Border Patrol Police chief has had important responsibilities. He was an inspector with the Investigation Bureau of Lumpini City Police Station. He was head of personnel of the Border Patrol Police and head of Special Training for the Border Patrol Police. He has been the head of the Border Patrol Police since 2 October 1985.

He is most proud of his work in successfully leading a Border Patrol Police force to stop a Khmer Rough invasion at Ban Hat Lek, Trat Province, when the communists seized Cambodia in 1975 and in leading a force to help a unit that had been surrounded until the command helicopter that he was flying was shot down; he was not injured. These were during communist terrorist suppression operations in Songkhla and Kanchanaburi Provinces when students from Chulalongkorn University were visiting Border Patrol Police in the jungle and were surrounded by communist terrorists. Some Border Patrol Police were killed and students shot and injured.

Pol Lt Gen Pravit Vongviset stated that he has not had any disappointments in his work. He prefers to eat at home, and usually does not go out to restaurants.

The new Border Patrol Police head is 'single'; the writer did not dare to ask why he has stayed single and refused to get married.

His philosophy in working is, "be honest, sacrifice and preserve honor."

12587/12955
CSO: 4207/48

THAILAND

COMMERCE MINISTER ON TRADE, CROP POLICY, POLITICAL RELATIONS

Bangkok WIWAT in Thai 8-14 Oct 85 pp 30-35

[Interview with Mr Koson Krairuk, the minister of commerce; date and place not specified]

[Text] [Question] Would you tell us what the rice situation will be like during the 1985/1986 season? Why are people trying to abolish the tax, reduce the premium and do away with the stock policy?

[Answer] When the petition was sent to the "KhK" Committee, which considered the 1985/1986 rice policy, it was discussed at a meeting. People divided into two factions on three important issues: abolishing the rice premium, abolishing the export tax and doing away with the stock system.

I would like to say that the export tax should still be collected. Every administration knows that the farmers are the backbone of the country. When I became the minister, I discovered that no export tax was being paid on various agricultural products. The tax on rice was 5 percent. About 6-7 months after I became minister, this export tax was cut in half. Today, the export tax is only 2.5 percent. I felt that this had to be reduced in order to be fair to the farmers. Many newspaper columnists have written that even if the tax is abolished, the farmers are still being paid very little. It's true that the previous abolishment of the tax and reduction of the premium, which occurred before I came here, did not benefit the farmers directly. But they did benefit indirectly. Because the merchants who received the reduction lowered prices for foreign buyers. Thus, there was no hope of people paying higher prices for paddy. This is the view of those who feel that the tax should be abolished. I agree that they are the backbone of the country.

There is a theoretical argument. People say that imposing a premium and export tax and requiring stock just increases export costs. I don't disagree. I won't argue about this problem. I accept the facts. But we can't look at the same problems. The Ministry of Commerce has never had to acknowledge the internal agricultural problems. If I remember correctly, this occurred during the time that Bunchu Rotchanasathien served as the deputy prime minister for economic affairs. He hoped to build up the confidence of the farmers. But at that time, the Ministry of Commerce and the Ministry of Agriculture held opposing views. Thus, Mr Bunchu gave everything to the Ministry of Commerce. But this put the

Ministry of Commerce in a very difficult position. Whenever the Ministry of Commerce takes action to increase the price of paddy, the consumers criticize the ministry. But this does not mean that the ministry has not tried to raise the price. At the same time, if the ministry does not get a high price for the rice or sells only small quantities, the farmers charge that the ministry is not supporting exports. Thus, in general, the Ministry of Agriculture is responsible for monitoring yields and cultivation. They know what the supply and demand is. They stipulate the farmgate price of the villagers. Because of this, things have to be separated. This has been discussed with the economic ministers.

It's the person in the middle who has the problems. I feel as if I am trapped in the middle. I get criticism from all sides. I have to listen to both the farmers and the consumers in Thailand. And I have to promote exports as much as possible in order to help reduce our trade deficit. My duties pull me in three different directions at the same time. Thus, if this is done away with, it will be beneficial in at least one way. Although I admit that, theoretically, this will not be of benefit. Why not? I will tell you. Because of the profit margin in Thai prices in the past. The margin of profit was affected by the export tax and the premium. Prices were lowered constantly. Why were the prices lowered since our rice prices were already among the lowest in the world? Because the more than 100 Thai exporters wanted more foreign markets. Thus, they kept lowering the prices. When I became minister, I saw what was happening. During my first year in office, I learned what methods the exporters were using. More than 100 exporters registered. But only about 60 companies actually sold rice. And there were only 15 large public companies.

I monitored things to determine how they carried on trade and where they obtained their rice for export. These 60 large companies had fancy offices with modern telecommunications equipment capable of contacting people abroad. In selling rice abroad, it takes more than just having capital and rice behind you. You also have to know the domestic rice situation. You must obtain information on paddy prices and on the cost of milling the paddy. They provide all this data to their foreign customers. In particular, at that time no one looked for markets themselves. They used brokers. For example, if someone said $205, when they saw that this was Thailand, $180. When they saw $180, they looked at what was going on here and asked for $205. They bargained for $200. They tried to find out government secrets and learn what was going on. When they learned what price had been offered, they went to that country and offered a lower price. The buyers took this opportunity to purchase at a lower price. During my first year in office, I saw that these 60 companies, which were not public companies, were making huge profits from the export of rice. Since they had the right to export rice, they also had a duty to the farmers. I issued a regulation stating that anyone trading in rice had to have their own stock. They have to build up their stock depending on how much they want to export. They have to know the figures or how much will be exported in 3 months. I might give you a rate of 40 percent so that you can figure out how much you can export in a month. There won't be any losses, and this will not pose an obstacle to exports either. Thus, since I was given this responsibility, I have done this constantly.

I did this to help the paddy prices of the farmers. Even though this increased costs, I felt that we could still compete with other countries. Because before I became the minister of commerce, the government spent 6 billion bant to prop up paddy prices. The Warehouse Organization purchased rice, and the Marketing Organization for Agriculture purchased paddy. All the money was spent. There may have been corruption. But corruption was not the only thing. We bought high and sold low and so it was only natural that we suffered losses. We paid the farmers a good price. When I became minister, I saw that this method was not good and so I stopped this. But after this was abolished, there were no measures to help the farmers. The harvesting takes place in November and December. With the paddy in the yards, the merchants can offer whatever price they want since there is so much rice. Thus, I told them, if you want to export rice, you can't stock it. This is how things have been. All the rice is stored in Bangkok. This shows that rice is brought here from markets all over the country. This stems from setting the stock rate at 40 percent. If we learn that a merchant has large orders or is trading in large amounts, the rate may be increased to 50 percent.

[Question] Since you became minister, how much rice has been exported?

[Answer] I was appointed minister on 7 May 1983. The previous minister, Mr Punmi Punsi, exported 3.5 million tons. During my first 6 months, I managed to export 3.7 million tons. In 1984 I exported 4.7 million tons of rice. Of this, 4.5 million tons was shipped from the port of Bangkok. The other 200,000 tons was shipped to the north and south, that is, to Laos and Malaysia. This accounted for 40 percent of the world rice market. Even Japanese exports that sell well have captured only 25 percent of the world market. And we captured 40 percent of the market at a time when demand was only about 12 million tons. This year, consumers have become more aware and are giving attention to production. Because of this, there is a surplus of rice. Grain [sales] began to decline 2-3 years ago. India used to purchase 300,000 tons from Thailand. But this year it has not purchased any since it has produced sufficient quantities for domestic consumption. Indonesia used to purchase 450,000 tons. But it has not purchased any this year either. It has even exported small quantities to the Philippines. Nigeria used to purchase 450,000 tons but has not purchased any this year. In the past, Senegal purchased 250,000 tons, but it has not purchased any this year. These figures indicate a drop of over 1 million tons. But as of the moment, exports are down only 200,000 tons as compared with last year. This stems from consumption. We export rice regularly. I can assure you that by the end of the year, we will have exported more than 4 million tons of rice. If we succeed in persuading Senegal to purchase 400,000-500,000 tons, the figure will be the same as before.

At a time when we are experiencing problems in the rice trade, people have suggested that we reduce the premium and tax. At the same time, exporters have been reducing prices constantly. I have prepared graphs showing stocks, taxes and premiums. But if people demand that the rice market be like that, prices won't be competitive. If there is pressure on prices, I will abolish these things immediately. I have power in the Ministry of Commerce. But if I do that, who can guarantee me that they won't reduce rice prices? I do not feel that it is necessary to reduce the premium or the export tax, and I have told the cabinet that. Our rice market will not be able to compete with them if we have to do this. They will lower prices. Other countries know that we have to announce lower costs. They will bargain with us. If they don't agree, we will purchase elsewhere. In such a case, the price of our rice will fall continually. Thus, I do not agree with this.

At the same time, talking about stocks, costs are high. If I abolish the stock system, who will take responsibility for the farmers? It is the price abroad that stipulates the [amount of] paddy that will be purchased for milling and export. If I keep reducing these things, the domestic price of paddy will keep falling. Who will take responsibility? Today, it is frequently said that there is a grain surplus in the world. Thai rice is cheap because we grow a lot of rice. This can be compared to a tropical depression in which there is much flooding. We require them to stock at last 800,000 tons. Ten thousand tons is 8.8 million bags. Rice would flood the markets like the rain. If we abolished the stock requirement, the merchants would sell this rice. It would be as if the government had opened the gates of the Phumiphon Dam. The price of rice would drop greatly. The price of a bag of rice would drop from 10 baht to 9.75, 9.50, 8.00 and then 7.00 baht. Fifteen days later, they could buy back their rice for only 6 baht, making a profit of 4 baht. Who would be responsible? Which interest group is responsible for this?

I can't accept this. I can't allow the farmers to be harmed like this. I am a politician. I know the problems. I can't do anything to hurt the farmers even though I know what the problems are. That's the main reason why I have constantly refused to take that action. And don't forget that there are two grades of rice in Thailand. That is, there is a good grade and a bad grade. The United States produces only a good grade of rice. Pakistan produces some good rice. Both Burma and China produce inferior grades of rice. Our good grade of rice competes with the U.S. rice. Our inferior grade competes with that of China, Burma and Pakistan. We are all equal since we are all poor countries. If there is pressure to reduce prices, what will happen to the farmers? There will be free trade, but the people who will benefit will be the exporters. They will benefit from this free trade and use the profits to keep putting downward pressure on prices. I can't allow this. It's not that I can't, but I refuse to do anything that would enable others to accuse me of harming the farmers.

[Question] Then you feel that abolishing the stock system is tantamount to destroying the farmers.

[Answer] Because the sales price is the thing that stipulates the domestic price of rice. The government is poor and cannot do anything to ensure that the farmers receive a good price. This is the way things are. Yesterday, the director-general of the Department of Foreign Trade called me long distance and told me that Americans were making appeals to the U.S. Department of Commerce and that tax measures would be used in retaliation. Thailand exports 40,000 tons of rice to the United States each year. They have charged that Thailand is subsidizing exports for the farmers. You can see the nature of the Americans, who try to respond to the policies. They have made these charges even though Thailand is experiencing problems. We have told them that we have imposed a stock requirement, a premium and an export tax. We are arguing about this. They have charged us with subsidizing this even though they know what is going on. Members of the Rice Mill Association came to see me 2 years ago when I had been minister for only 6 months. They told me that the price of U.S. rice was high. Their rice was on a par with ours. Since that was the case, we lowered ours somewhat. But I said that we couldn't keep changing the prices like this. They consume meat and dairy products. Our farmers consume rice and fish. Production costs are different. Their government provides welfare benefits. Our government doesn't. And so we can't accept this. And so now they are trying to implement a retaliatory tax.

A retaliatory tax means that the rice or goods that are in competition must be of the same type. The United States produces white rice, but we produce jasmine rice. We export jasmine rice to the United States. The United States can't produce this type. And so the two types of goods are not the same. I would like to pass this on through ATHIT-WIWAT. If anyone thinks that we have abandoned this market, I want them to know that we haven't. But if something like that is done, we won't try to humor them. Because this amounts to 1 percent of the 40,000 tons exported by Thailand. But it someone acts like a bully who has lost a contest, they won't be able to compete in the marketplace. But they will not admit defeat. I don't like that.

[Question] Do you think that those who are attacking you and who are demanding that you abandon your policies and measures are people whose interests have been adversely affected?

[Answer] I can't answer that. But you shouldn't use strong language and call them people whose interests have been affected. Just say that they do not have good intentions toward the farmers. Or it might involve politics or technocrats.

[Question] In short, will the rice problems expected to arise in November and December amount to anything?

[Answer] I think that the government.... I don't know. These are just my views. The country is poor. Other countries spend money to help the farmers. As for the the possibility of corruption, that has to be discussed. As I said, the Ministry of Agriculture should handle prices. You can print that the Ministry of Commerce said that the Ministry of Agriculture should be responsible for this. They know about supply and demand and can stipulate prices. I know just a little about demand. I am familiar with things abroad. I don't know anything about the domestic situation. I don't know how great the supply is. I'll be in trouble if I have to handle this.

[Question] What will the price of rice be this year?

[Answer] No one knows. To set a price would require using state money.

[Question] You can't give us an estimate?

[Answer] No. We aren't the ones who set the prices. But later on, you can convert the world market price back into paddy prices. We have to look at the world market price at that time and then convert this to a paddy price. This should be the sales price. The price of good-quality rice should be about 3,000 baht per kwian [1 kwian equals 2,000 liters].

[Question] The Ministry of Commerce and the Ministry of Agriculture are having a dispute about the quantity of rice. The Ministry of Agriculture feels that the area under cultivation should be reduced. Would you comment on this?

[Answer] I don't want the Ministry of Agriculture to use simple or superficial measures to solve the problems, such as expanding the area when there are shortages and reducing the area where there is an excess. The Ministry of Agriculture can handle other crops. But rice is the soul of the Thai people. Any government that talks about reducing the rice area will fail. I have pointed this out to them. We will have to work hard. We will have to find something else to replace rice so that the farmers can survive. Twenty years ago when I was a young man, the farmers did not grow rice for export. Each family grew rice for home consumption. The mills and vehicles were different from those of today. People with rice stored it at the large mills. Some people were exploited, and the mills grew rich. At the end of the year, the mills milled the rice and sold it to domestic markets. Prices were cut because of the great competition. The farmers let them get away with this. But now they grow rice for export. In the past, rice was grown just for domestic consumption.

Thus, today, rice is grown for distribution. I have an idea, but I can't talk about it yet. If the farmers can be patient for another 4-5 years, I feel confident that we can corner 50-60 percent of the world market instead of just 40 percent. Our rice is very cheap since the farmers do not profit at all. But we have to be fair to the farmers. If the farmers are not profiting from this, neither should anyone else. The farmers will be the pioneers. When all sides have stopped fighting and everybody is able to sell as much as he wants, we will be able to corner the market. We will be able to set the prices. At that point, the farmers will be happy. This is my dream. But we can't talk to the farmers about this. I don't think anything can be done this year. I take a long-term view. If the farmers can do it, the next generation will have a good life. But we will lose friends in the process. It will take time.

[Question] Some people say that the Social Action Party is trying to shift the task of solving the economic problems to the Ministry of Finance. What is your view on this?

[Answer] I would like to point out that when this administration was formed, there was no agreement in principle that the SAP would be responsible for economic problems or that the other parties would be responsible for specific tasks. When the administration was formed in 1983, we all knew that the parties were jointly responsible for all the problems since we were all in the same boat. If the boat develops leaks, we all have to help plug the leaks. We can't sit about punching holes in each other. We have to get along and help each other. They can't give everything to the SAP. I am speaking the truth. Do you know how many ministries are working to solve the economic problems? It's not just the ministries of commerce, agriculture and foreign affairs. Other ministries are involved, too. The Ministry of Interior, the Ministry of Industry, the Office of the Prime Minister, the Ministry of Finance and advisors to the prime minister are all trying to find measures to solve the problems. Everyone is trying to help.

[Question] But it seems that the SAP is taking aim at the Ministry of Finance. The policies of the Ministry of Finance are in conflict with those of the SAP. As Mom Khukrit said, anyone who stages and coup and prints more money will probably be able to reduce the problems.

[Answer] I have already said that we must all take responsibility. As for today's economic problems, I would like to say that if the cost of a bowl of noodles increases to 8 or 10 baht but they still taste as good as before, if people can still afford to buy a bowl of noodles, that is better than if they don't have the money to buy a bowl. Higher prices are all right if you have the money to pay them. That's better than not having any money, even if prices are lower. That is, a little inflation would be all right for our economy. That would be better than a tight money situation.

[Question] Some SAP MPs and ministers are trying to oust the present minister of finance. Has Mom Khukrit given the green light to this?

[Answer] I can't speak for the leader of my party. I can't answer on his behalf. But he is not a person who engages in intrigues or who secretly gives a green light or red light. He is very straightforward. He says what he thinks. From what I know, he has not given any sort of signal. He does not equivocate.

[Question] Looking at the various things that have happened, it seems that the SAP exerted pressure to revise the constitution and change the election system from a joint-zone system to a separate-zone, slate-type system because it wanted some guarantees for the next election. In the future, the SAP might exert pressure to dissolve parliament if that would benefit the SAP.

[Answer] Why do you think that? Parties commonly revise those sections of the constitution that deal with election methods. That was not done in preparation for dissolving parliament. Rather, that had to do with the political party system, which must develop. This concerned the survival of parliament. We had reasons for doing this. Mom Khukrit did this for the common good. But let's not get into that. Mom Khukrit, the leader of my party, has done everything he can to ensure the survival of democracy and to have parliament complete its term. Why would the SAP try to dissolve parliament?

I think that Mom Khukrit is now lowering his expectations. There are certain things that he cannot do. A motto of the SAP is that the "suffering of the farmers is the suffering of the nation." Their suffering is Mom Khukrit's, too. The SAP wants to end the country's suffering. Take rice, for example. We are trying to prevent anyone from harming the farmers. At the same time, we must do everything we can to ensure the survival of democracy. Mom Khukrit may not be able to do everything. That is, he cannot hit all the targets, particularly when it involves national problems. But he is at least making a great effort to ensure the survival of democracy. He is doing everything he can to ensure that democracy succeeds.

[Question] Has Mom Khukrit given up hope of having a chance to help the farmers and end the country's suffering?

[Answer] It's not a matter of having lost hope. We have never lost hope. But we have not really had a chance to make a concerted effort.

[Question] You once said that it would be difficult for a "five-headed government" to solve the country's problems. Do you still think that?

[Answer] I still stand by what I said.

[Question] In conclusion, parliament will definitely not be dissolved.

[Answer] That is your conclusion, not mine. You can't use the word "definitely." In politics, there are many things ahead of us that we don't know about. You can't draw such conclusions. Don't ask me to give you a definite answer. But as for the charge that the SAP is planning to dissolve parliament, I have already discussed that with you, and you probably understand.

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CSO: 4207/37

COLUMNIST SUPPORTS CRITICISM OF U.S. TRADE BILLS

BK151226 Bangkok THAI RAT in Thai 15 Dec 85 p 3

[Column by Sunthon Wathi]

[Text] The U.S. House of Representatives and the Senate have finally passed the textile bill with an overwhelming vote. That means all "lobbying" efforts by countries to be affected by the bill seem to have produced no results. The U.S. Congress did not take into consideration the protests by textile workers in various countries expressing concern that hundreds of thousands of them would become jobless if the bill was passed into law. Their remaining hope now rests with one man -- President Reagan, who is expected to veto the bill.

Two draft bills seeking control on textile and garment imports into the United States were submitted to the U.S. Congress. The first was sponsored by Congressman Ed Jenkins of Georgia and is known worldwide as the Jenkins Bill. The second was proposed to the Senate by Senator Strom Thurmond. It notes that the United States suffered huge deficits from heavy imports of textile and garment products from other countries, including Thailand. Last year the United States lost $16.2 billion in textile and garment deficits, or 13 percent of the overall deficits.

The two U.S. congressmen believe that if the trend continues, there will be another 200,000 American jobless in the textile industry this year. Thus they initiated the controversial "protectionist" bills that have drawn opposition and protests worldwide, even in the U.S. Government itself.

In Thailand, textile workers backed by others in the labor sector staged several demonstrations. They also handed notes of protest to the American Embassy. What I like most is the "silent protest" by Dr Thanat Khoman, former prime minister, who wrote a letter to the U.S. ambassador which was published in the BANGKOK POSTS'S 5 December issue. He says the U.S. ambassador says the United States is not yet protectionist, but because it suffered a huge trade deficit of over $100 billion, it must become protectionist like Japan and the European Community, which are the main beneficiaries from that deficit. Dr Thanat points out that U.S. trade restrictions to be taken will not hit Japan and the European Community, the sources causing the U.S. deficits, but developing nations like

Thailand. While Japan and the European Community are exempted from the measures, the protectionist bills are directed against impoverished countries. Is this because the United States knows that poor countries have no way to retaliate, whereas rich countries can counter it? I agree with the deputy prime minister -- after reading the draft Jenkins Bill one can see that it discriminates against goods from poor countries in Asia: Taiwan, South Korea, Indonesia, the Philippines, India, China, Hong Kong, Thailand, Singapore, and Pakistan. But Canada and the countries in West Europe, or the Common Market, are exempted. Some observers even note that the draft bill is not only discriminatory against trade, but is also of a racist nature.

The U.S. ambassador mentioned that the United States has given Thailand as much as $8 billion in aid. Dr Thanat argued that by allowing the United States to use airfields in Thailand during the war in Indochina, Thailand helped the American taxpayers save much more money than that given to Thailand, as the U.S. aircraft did not have to fly back and forth from Guam. In return, what Thailand gets is some hundred protectionist bills proposed by American congressmen aimed at restricting items from Thailand.

Yes, I am very pleased with his argument. He speaks intelligently on behalf of all Thais. I must praise him aloud, as this is a unique opportunity for me to praise the former prime minister.

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CSO: 4207/107

BRIEFS

CHALONG SEEKS ATHIT'S HELP--Bangkok Metropolis Governor Maj Gen Chamlong Simuang told SIAM RAT after he had met Supreme Commander and Army Commander in Chief Gen Athit Kamlang-ek at the Bangkok Security Command on 6 December that he was seeking support from the military for the Bangkok Administration. He said the administration needs assistance from the military in several matters, such as in flood relief administration. He said the supreme commander assured him of the full support of the military, including the provision of mechanical help. The Bangkok governor said he also discussed with the supreme commander keeping Bangkok clean as well as telephone service. He said it is also the responsibility of all military units to help keep Bangkok clean. On telephone service, the supreme commander agreed that the service should be improved as it would also contribute to the effort to improve Bangkok's traffic. /Text/ /Bangkok SIAM RAT in Thai 7 Dec 85 pp 1, 12 BK/ 12228

THAI FISHING TRAWLERS SEIZED--At 1400 on 7 December, Thawat Chanprasit, radio official of the Fish Marketing Organization in Samut Sakhon Province, received a report from Thai fishing trawlers that while about 10 Thai trawlers were fishing on international waters about 30 miles off Pring Island of Cambodia, 2 Vietnamese patrol boats came to chase and arrest them. The Thai trawlers tried to flee. They were fired on, and three were seized. These were "Chotthawiphon," "Phetprasoetsak 5" and "Phetpraoetsak 14" with about 50 crewmen aboard. The radio reported that "Phetprasoetsak 14" was sprayed with bullets and that the fate of the crewmen was unknown. /Text/ /Bangkok NEAO NA in Thai 9 Dec 85 p 16 BK/ 12228

COUP CONSPIRATOR SOUGHT--Ekkayut Anchanbut, former operator of the charter money game business and one of the 9 September abortive coup conspirators, is still at large at present although the police have issued a warrant for his arrest and the crime suppression division has offered a 100,000 baht reward for information leading to his arrest. Metropolitan Police Commissioner Police Maj Gen Sawaeng Thirasawat told reporters on Thursday that Ekkayut is still in Thailand but refused to disclose the province or region in which he is hiding for fear that he might move to a different place. The metropolitan police chief also revealed that the metropolitan, provincial, and border patrol police as well as the police special branch division are jointly seeking information regarding the culprit. Meanwhile, special "tracking teams" have been set up to keep his close friends under surveillance. He said the police are trying to arrest him as soon as possible. /Text/ /Bangkok NAEO NA in Thai 6 Dec 85 pp 1, 16 BK/ 12228

NEW AMBASSADORS--On 11 December his majesty the king receives the following Thai ambassadors prior to their departure for ambassadorial assignments: Niran Phanuphong, ambassador to Bangladesh; Wiphak Phinyoying, ambassador to Saudi Arabia; and Suchinda Ruangsi, ambassador to Turkey. [Summary] [Bangkok Domestic Service in Thai 1300 GMT 11 Dec 85 BK] /12640

HONDURAS RELATIONS ESTABLISHED--With the desire to promote friendly relations and close cooperation between the Kingdom of Thailand and the Republic of Honduras, the Governments of the Kingdom of Thailand and the Republic of Honduras have agreed to establish normal diplomatic relations at the ambassadorial level as of 16 December 1985. They will approve the appointment of each other's ambassadors at a later date. [Signed] General Prem Tinsulanon, prime minister [16 December announcement of Thai prime minister's office] [Text] [Bangkok Domestic Service in Thai 0000 GMT 16 Dec 85] /12640

CSO: 4207/97

VODK REPORTS DENG XIAOPING-SIHANOUK TALKS

BK141005 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 12 Dec 85

[Text] On the morning of 9 December, the Democratic Kampuchean delegation led by Democratic Kampuchean President Samdeck Norodom Sihanouk; CGDK Prime Minister Son Sann; and DK Vice President Khieu Samphan on a visit to China held talks with Deng Xiaoping, chairman of the Chinese Communist Party Central Advisory Commission. On this occasion Deng Xiaoping said China resolutely supports the Democratic Kampuchean struggle against the Vietnamese aggressors for national independence and liberation and continues to support this struggle until the Cambodian people win the final victory.

The samdech president of Democratic Kampuchea said Deng Xiaoping's declared support is a great encouragement for the entire Cambodian people, the CGDK, and all Cambodian resistance forces. The Samdech said the tripartite nationalist resistance forces of Democratic Kampuchea unite with a spirit of sacrifice for national liberation. We have received strong support and every kind of assistance from China and also the support and assistance of all peace- and justice-loving countries the world over. Therefore, we will be able to build an independent, neutral, and nonaligned Cambodia with territorial integrity.

Deng Xiaoping highly appreciated the just struggle of the Cambodian people. He said this struggle is not only to liberate Cambodia and gain its independence, but it is also a struggle to oppose hegemonism and to preserve peace and stability in the Asia and Pacific region. This struggle is a common one. We should assist each other. He said the Cambodian people's struggle faces great difficulties and will face still more. However, it has received support from the Cambodian people and the international community. Therefore, the struggle is not isolated. He said as long as all of you have full confidence and adhere to unity, then you will win victories.

The samdech president of Democratic Kampuchea said the tripartite nationalist forces of the CGDK are determined not to bow to the Vietnamese aggressors. Although we have to struggle for many more years we pledge to preserve unity and continue the struggle resolutely until we liberate the nation.

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CSO: 4212/34

VODK REPORTS HU YAOBANG TALKS WITH DK DELEGATION

BK141015 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 13 Dec 85

[Text] On 10 December in Beijing Hu Yaobang, general secretary of the Chinese Communist Party, held talks with the Democratic Kampuchean delegation led by DK President Samdech Norodom Sihanouk, CGDK Prime Minister Son Sann, and DK Vice President Khieu Samphan.

On this occasion Hu Yaobang said the Cambodian issue can be resolved politically. However, the basic condition for resolving this issue politically is the withdrawal of all Vietnamese forces from Cambodia. He stressed that Vietnam's new maneuvers will be completely defeated. He further said the Cambodian people's struggle against the Vietnamese aggressors for national liberation has greatly developed in the past year and has received wider sympathy and support from the international community. This is because the Cambodian people and army have most courageously carried on the struggle. He stressed that the struggles of the Cambodian, Afghan, and Palestinian peoples, demanding restoration of their national rights, are similar to the struggle of the South African people against apartheid. They are the most talked about events of the world in this decade. These struggles have contributed to preserving world peace and have taught and encouraged people the world over. They have also been recorded in the history of world development.

Talking about the Cambodian issue he said, when Vietnam started its war of aggression against Cambodia, we told Vietnam that this war has no future. However, Vietnam refused to believe us. It even boasted that the Cambodian resistance forces would be destroyed in 5 years. This is just an illusion of the Vietnamese. He further said, your victories are the result of the unity of the three groups of nationalist armed forces which have bravely fought against the Vietnamese. China pledges to support the just struggle of the Cambodian people for national liberation against the Vietnamese aggressors. In whatever circumstance, China will unite with ASEAN and other countries the world over and resolutely support you until you win the final victory.

On this occasion the samdech president of Democratic Kampuchea, on behalf of Prime Minister Son Sann and Vice President Khieu Samphan, expressed gratitude to the Chinese Government and people for supporting the Cambodian people's struggle for national liberation against the Vietnamese aggressors. The samdech said the three groups of Democratic Kampuchea are determined to strengthen their unity in the struggle and will continue to cooperate on the battlefield until Vietnam withdraws all its forces from Cambodia in accordance with the UN resolutions. The samdech further said Vietnam has no means to resolve the Cambodian issue militarily. This issue remains unresolved not because we do not want to resolve it but because Vietnam refuses to withdraw its forces from Cambodia.

Prime Minister Son Sann said the three Cambodian sides have a deeper understanding of one another and the unity among the three groups has been gradually strengthened. We unit as one and we firmly believe that our struggle will certainly win because this is a just struggle and it has received support from China and other countries the world over.

Vice President Khieu Samphan stressed the necessity to preserve the CGDK identity. He further said Samdech Norodom Sihanouk is a long-term persident of Democratic Kampuchea.

After these talks, Hu Yaobang hosted a reception in honor of our DK delegation.

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VODK COMMENTS ON DK DELEGATION VISIT TO PRC

BK151045 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 13 Dec 85

[Station commentary: "The Democratic Kampuchean Government Delegation Is Visiting China at a Time When the Situation of Our Cambodian People's Struggle Is Making Good Progress in Every Field"]

[Text] At the invitation of the Chinese Government, the delegation of our CGDK led by Samdech Norodom Sihanouk, president of Democratic Kampuchea; Son Sann, prime minister; and Khieu Samphan, vice president of Democratic Kampuchea, arrived in Beijing on 7 December to pay an official visit to the PRC.

Our Democratic Kampuchean delegation visits China this year at a time when the struggle of the Cambodian people and our Cambodian patriotic resistance forces under the leadership of the CGDK is making good progress in all fields--military, political, diplomatic, as well as in the unity of our three Cambodian sides.

First, in the military field, our Cambodian people's struggle against the Vietnamese aggressors has made good progress every year. This year, after achieving victory during the past rainy season, our army and guerrillas have pursued actively their attacks against the Vietnamese enemy in this 8th dry season. Although the Vietnamese enemy aggressors have sent many troops, weapons, tanks,a nd artillery to the battlefields in Western Cambodian in preparation for their big offensive to scatter and destroy our Democratic Kampuchean resistance forces, we have continued our attacks against them, in full control of the situation and with the initiative on all battlefields.

In particular, we have intensified our attacks against the Vietnamese enemy on the battlefields around Tonle Sap and we have linked these battlefields with those around Phnom Penh. This has tired out the Vietnamese enemy aggressors and killed many of their troops. Tens of thousands of Vietnamese soldiers have been pinned on these battlefields. The Vietnamese cannot withdraw their troops from these areas to reinforce their forces on the western battlefields. That is why the Vietnamese enemy aggressors have not yet launched a big offensive as they hope and plan. On the contrary, they have lost control of the situation. We have fought and tired them out and killed many of their soldiers.

Second, on the diplomatic front, our Democratic Kampuchea has received more sympathy, assistance, and support from the international community. The fact that this year the UN General Assembly voted with an overwhelming majority--114 in favor--for Vietnam to immediately and unconditionally withdraw all of their troops from Cambodia is evidence of the development of the Cambodian people's struggle against the Vietnamese aggressors on the international scene. This also shows that the world community has provided more assistance and support for the just struggle of the Cambodian people for the survival of the Cambodian nation and race.

Third, in our CGDK our three sides are more united in the struggle against the Vietnamese enemy aggressors and race exterminators on the battlefield and in the international arena. Although the Vietnamese enemy aggressors, the Soviets, and their accomplices have made every effort to stage dark maneuvers in their attempt to divide our CGDK, our tripartite resistance forces and our CGDK have continued to raise higher the banner of the great national union and have pursued our close cooperation in all fields by considering the national interests as sacred. We have actively intensified our attacks on the Vietnamese enemy aggressors. Furthermore, this visit to China by the delegation of our CGDK is also evidence clearly showing that the solidarity and unity of our CGDK are growing steadily stronger.

These victories of the Cambodian people and the CGDK are obviously due to the efforts of the Cambodian people, the Cambodian patriotic resistance forces, and the CGDK who have struggled, overcome all difficulties and obstacles, sacrificed everything, and fought patriotically a bloody war on the battlefields against the Vietnamese enemy aggressors. However, these victories cannot be separated from the great and constant assistance and support of the PRC and the firm support of all friendly countries near and far and all peace- and justice-loving countries throughout the world.

The people of the two countries--China and Cambodia--have traditional and longstanding bonds of friendship. These ties of friendship have weathered all trials and are rooted deeply in the sentiments of the two people. While the Cambodian people are passing through the most difficult period in their history in their struggle against the Vietnamese aggressors for the survival of the Cambodian nation and for an independent, peaceful, neutral, and nonaligned Camboida, the Chinese Government and people have actively provided all necessary assistance to them. The assistance and support of the Chinese people and government have been the most important factor in the victories and progress of our Cambodian people's struggle.

The entire Cambodian people and all Cambodian resistance forces are very happy and enthusiastic about the assistance and support of the Chinese people and government, their comrades-in-arms and brothers. The Cambodian people hope that this visit to China by the CGDK delegation will definitely strengthen and develop the bonds of friendship and the militant solidarity between the two countries and peoples--Cambodia and China.

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CSO: 4212/34

SIEM REAP TOWN ATTACKED; SOVIETS SAID KILLED 8 DEC

BK130056 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 12 Dec 85

[Text] Our special detachment launched a 6-pronged attack on Siem Reap town on the night of 8 December. The first prong was directed against the hotel bungalow where Soviet advisers are living. The second prong hit the command post of battlefield 479 at Siem Reap high school. The third prong was directed against a weapon and ammunition storehouse north of the bungalow. The fourth prong hit the medicine storehouse. The fifth prong was directed against the jail. The sixth prong hit the new headquarters of the general staff.

After 25 minutes of fighting, we took control of the situation in all these attacks. As a result, we killed 115 enemy soldiers and wounded 75 others. Among those killed were a Soviet adviser, a Vietnamese brigade [kangpol] commander, and two Vietnamese regiment commanders. Two other Soviet advisers were seriously wounded. We destroyed a weapon and ammunition storehouse with 500 metric tons of all types of weapons and ammunition, 300 assorted guns, 45 military vehicles including 3 jeeps, 3 motor tricycles, 10 motorcycles, 1 storehouse of bicycles, 1 warehouse of medicines, 1 250-watt communication radio, 3 C-25 radios, 5 telephones, 2 buildings of military training school, 150 military barracks, and a large quantity of military materiel.

We seized 25 AK's, 25 B-40's, 2 B-41's, 2 machineguns, 3 AR-15's, 15 B-40 rockets, 20 B-41 rockets, some ammunition, and some Soviet and Vietnamese documents.

On the same night, the Vietnamese enemy aggressors sent reinforcement troops on three tanks and two trucks from the airport. They were ambushed by us and their tanks and trucks were set ablaze and completely destroyed. We killed 50 Vietnamese enemy soldiers and wounded a number of others. We destroyed three DK-75's, three 12.7 mm machineguns, and some military materiel.

On the morning of 9 December, the Vietnamese enemy aggressors sent a battalion to ambush us near Kouk Chan, but they were routed. We killed 10 Vietnamese enemy soldiers and wounded 5 others. We also destroyed some weapons, ammunition, and military materiel.

In sum, we killed 175 Vietnamese enemy soldiers and wounded 80 others, for a total of 255 casualties. Among those casualties were three Soviet advisers, a Vietnamese brigade commander, and two Vietnamese regiment commanders. We destroyed a weapons and ammunition warehouse with 500 metric tons of weapons and ammunition, a medicines storehouse, a warehouse of bicycles, three tanks, 47 trucks, 3 motor tricycles, 10 motorcycles, 1 200-watt telegram machine, 3 C-25 radios, 5 t3lephone sets, 2 buildings of military training schoool, and 150 military barracks. We seized 57 assorted weapons, 35 B-40 and B-41 rockets, a large quantity of ammunition, and some Soviet and Vietnamese documents.

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CSO: 4212/34

CLANDESTINE RADIOS REPORT BATTLEFIELD ACTIVITIES

Activities Against SRV Forces

BK180402 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 17 Dec 85

[Report from various battlefields]

[Excerpts] Kompong Thom battlefield: On the night of 13 December, we attacked the Vietnamese enemy at Tang Kouk township in Baray District, Kompong Thom Province. After a 15-minute battle, we killed three and wounded several Vietnamese soldiers; destroyed a commune office and some war materiel; and seized some war materiel.

Memot battlefield, Kompong Cham Province: On 14 December we attacked and dismantled Vietnamese state authorities in Koki and Sampoan communes in Memot District. We killed three Vietnamese soldiers and destroyed two AK's and some war materiel. We talked to state officials who have been forced to serve the Vietnamese and discussed the issue that Cambodians should unite to fight against the Vietnamese aggressors to preserve the Cambodian nation and race and later let these compatriots return home.

Kompong Cham battlefield: On 11 December, we attacked and dismantled Vietnamese state authorities of O Mlu village, located in Khtuoy village. After a 15-minute battle, we completely liberated this place. We killed three and wounded four Vietnamese soldiers. Among those killed were a battalion commander and two Vietnamese commune expoerts. We destroyed a Vietnamese expert's house and some documents. We seized an AK rifle, two AR-15's, a carbine, and two SKS's and liberated four villages: Khtuoy, O Kap Moan, Samnap Khchey, and Thmei. On the same day, the Vietnamese sent company to rescue their comrades. We ambushed them, killing four and wounding two. We destroyed a B-41, a B-40, two AK's, and some war materiel and seized an AK, an AR-125, and some materiel.

Koh Kong Leu battlefield: On 13 December, a Vietanmese truck carrying ammunition to Veal Thom was attacked and destroyed by our mines. All six Vietnamese soldiers on the truck were killed. Ten minutes later, Vietnamese soldiers posted at a nearby position came to examine the truck. We attacked them, killing 10 and wounding 5.

Siem Ta battlefield: On 9 December, we attacked a Vietnamese artillery position at Daeum Dong south of Siem Ta. We killed three and wounded four enemy sodliers; destroyed an 80-mm mortar and a 122-mm cannon; and seized some war materiel.

Boats Ambushed Near Phnom Penh

BK120244 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 11 Dec 85

[Report from various battlefields]

[Excerpt] On 5 December, we ambushed three Vietnamese boats moving from Prek Sdei to Beong Pra in Ponhea Loe District, about 20 km from Phnom Penh. We killed seven Vietnamese enemy soldiers on the spot and destroyed three boats and all weapons and materiel in the boats.

SRV Regiments Ambushed

BK120246 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 11 Dec 85

[Report from various battlefields]

[Excerpt] Between 5 and 8 December, we ambushed 2 Vietnamese regiments [Voreak Sena Thom] at Boeng Trasal, O Toch, and Sras Thkov on the south Battambang battlefield, killing 16 and wounding 19 enemy soldiers, and destroying 3 AK's, 2 B-40's and some war materiel.

Vietnamese Mines in Siem Reap

BK130518 (Clandestine) Voice of the Khmer in Cambodian 0500 GMT 9 Dec 85

[Text] A radio Voice of the Khmer correspondent in Siem Reap Province reports that Vietnam's policy is to lay many mines near the Cambodia-Thai border. This confirms recent reports that the Vietnamese want to clear out the areas near the border. The Vietnamese transported 70 truckloads of Cambodian inhabitants from Svay Rieng Province to clear forests in Oddar Meanchey Province from Ta Tun camp to the area opposite to Thkov camp, Phnum (Kon Chhkut), in order to lay mines there. The Vietnamese laid 8,000 mines in 1,000 square meters [figure as heard] of land. They also laid spikes behind the mine fields.

The radio Voice of the Khmer correspondent in Siem Reap-Oddar Meanchey Province reports that the Vietnamese recently sent more of their nationals to settle in this province. These Vietnamese nationals settled in Arenh, Atthvea, Svay, and Vat Pou villages, Siem Reap ward. There are 150-250 families in each village.

The same source reported that 2,900 students were transported from Svay Rieng and Prey Veng provinces to Samraong District market, Oddar Meanchey

Province. These students were armed by the Vietnamese without having any military training. They were sent to the new brigade [kangpol] No 284 whose commander is (Samret Seila). This new brigade has cooperated with Vietnamese brigade [kangpol] No 302 posted in front of Cambodian resistance forces. These soldiers have very low morale. Some of them abandoned their weapons and returned to their villages and some others defected and joined our non-communist Cambodian resistance movement.

Attack on Siem Reap Praised

BK150940 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 0500 GMT 14 Dec 85

[12 December congratulations message from DK National Army Supreme Command]

[Text] I. On 8 December, the Democratic Kampuchean National Army and the Cambodian people in Seim Reap Province cooperated and attacked the Vietnamese enemy with the following results:

1. We killed 115 and wounded 75 enemy soldiers. Among those killed was a Soviet adviser; 2 more Soviet advisers were seriously wounded. A Vietnamese division commander and two Vietnamese regiment commanders were also killed. We destroyed a weapon and ammunition warehouse containing 500 metric tons of weapons and ammunition; 300 assorted weapons; 45 army vehicles, including 3 jeeps, 3 motor tricycles, and 10 motorcycles; a bicycle warehouse; a medicine warehouse; a 250-watt radio; 3 C-25 radios; 5 telephones; 2 army training school buildings; 150 barracks; and some other war materiel.

2. We seized 25 AK's, 20 B-40's, 2 B-41's, 2 machineguns, 3 AR-15's, 15 B-40 rockets, 20 B-41 rockets, some pistol ammunition, and some Vietnamese and Soviet documents.

On the same night, three Vietnamese tanks and two trucks fully loaded with soldiers came to the rescue of their comrades from the airfield. However, they were ambushed by our forces, which destroyed all of them on the spot. We killed 50 Vietnamese enemy soldiers and wounded some others; and destroyed 3 DK-85's, 2 12.8-mm machineguns, and some war materiel.

The next morning, 9 December, the Vietnamese sent a battalion to ambush us near Kouk Chan. However, we routed the Vietnamese soldiers, killing 10 and wounding another 5 and destroying some weapons, ammunition, and war materiel.

In sum, we killed 175 Vietnamese enemy soldiers and wounded 80 others for a total of 255 casualties. Among the casualties were three Soviet advisers, a Vietnamese division commander, and two Vietnamese regiment commanders. We destroyed a weapon and ammunition warehouse containing 500 metric tons of ammunition; a medicine warehouse; a bicycle warehouse; 3 tanks; 47 trucks; 3 motor tricycles; 10 motorcycles; a 250-watt radio; 3 C-2 radios; 2 army training school buildings; and 150 barracks. We seized an assortment of 57 weapons, 35 B-40 and B-41 rockets, a large quantity of pistol ammunition, and some Soviet and Vietnamese documents.

II. The Supreme Command of the National Army of Democratic Kampuchea would like to express warmest congratulations to cadres and combatants of the National Army and our people in Siem Reap Province for carrying out this feat of arms in attacking Siem Reap town. The Supreme Command of the National Army asks cadres and combatants of the National Army to continue to unite with the people to carry out more and more activities against the Vietnamese aggressors in accordance with the 5-point method. The Supreme Command of the National Army also calls on cadres and combatants in each unit on every battlefield throughout the country, particularly on the first group of battlefields, to more vigorously intensify their activities to fight the Vietnamese enemy in accordance with the 5-point method.

[Dated] 12 December 1985

[Signed] The Supreme Command of the National Army of Democratic Kampuchea.

/6662
CSO: 4212/34

RADIO COMMENTARY ON BEIJING-CGDK MEETING

BK161255 Phnom Penh SPK in English 1124 GMT 16 Dec 85

[Text] Phnom Penh SPK December 16--"The purpose of China in summoning the leaders of the Khmer reactionary factions to Beijing was to paper over their sharpening conflicts," says radio "Vice of the Kampuchean People" in a recent commentary.

The radio points out: "Everybody can see that their bitter defeats in the dry season of 1984-85 the three factions of Khmer reactionaries were faced with a desperate situation of sagging morale and acute conflicts. Their men lost heart and a good number of them broke away and rallied to the revolution."

"The meeting staged in Beijing showed China's obstinacy in using the Khmer reactionaries to oppose the People's Republic of Kampuchea," the radio notes.

It further says: "One could also see that the move was coupled with stepped-up Chinese armed provocations against Vietnam's northern border, with intensified encroachments on Kampuchea's territorial integrity and sovereignty by Thailand, and with a new mud-slinging campaign against Kampuchea and Vietnam. All this has aggravated the situation in Southeast Asia after the efforts by peace-loving countries for "detente in the region and the world as a whole".

"But all efforts at keeping the three factions within the so-called 'Coalition Government of Democratic Kampuchea' will be in vain," the radio says.

"The meeting between the Chinese bosses and their stooges only showed the weakness of the Khmer reactionaries," it adds.

The radio stresses that the Kampuchea people, permanently vigilant, will foil all perfidious moves of the enemy.

/7358
CSO: 4200/416

PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

CHEA SOTH AT FINANCE COURSE END--Phnom Penh SPK December 13--The Ministry of Finance has just concluded a three year course on finance and accountancy, the second of its kind, for 78 trainees from all the cities and provinces. At the closing ceremony, Chea Soth, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee, vice premier and minister of planning, praised the students and teachers for their good success, and told them to do their best to well implement the resolutions of the fifth party congress. He warmly thanked the Vietnamese Ministry of Finance for its contribution to the success of the course. [Text] [Phnom Penh SPK in English 1111 GMT 13 Dec 85 BK] /7358

HENG SAMRIN TO ANGOLAN LEADER--Phnom Penh SPK December 14--Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea Central Committee and president of the State Council, has congratulated Jose Eduardo Dos Santos on his reelection as president of the MPLA [Popular Movement for the Liberation of Angola] Workers' Party. Heng Samrin, said in his message: "I am strongly convinced that under the clearsighted leadership of the MPLA-Workers' Party headed by you, the heroic Angolan people will record new, greater success in implementing the resolutions of the second congress of the MPLA-Workers' part". He wished the Angolan leader the best of health and brilliant success in his responsible task. [Text] [Phnom Penh SPK in English 1117 GMT 14 Dec 85 BK] /7358

USSR WOMEN LECTURERS--Phnom Penh SPK December 17--A group of Soviet lecturers headed by Galina Semenova of the Soviet Women's Committee arrived in Phnom Penh Monday for a friendly visit to Kampuchea. The group [was] welcomed at Pochentong Airport by Chhuk Chhim, vice president of the Association of Revolutionary Women of Kampuchea, and other Kampuchean officials. Raisa Ablova, representative of the Soviet Embassy, was also present. The Soviet lecturers are scheduled to speak of the experiences of Soviet women during the first years of the great October revolution. [Text] [Phnom Penh SPK in English 1130 GMT 17 Dec 85 BK] /7358

CPSU LECTURERS LEAVE--Phnom Penh SPK December 17--A group of lecturers of the Department of the Propaganda Commission of the Communist Party of the Soviet Union left Phnom Penh Monday, winding up its eight-day visit to Kampuchea. The lecturers were seen off on their departure by cadres of the commission for propaganda and education of the People's Revolutionary Party of

Kampuchea Central Committee. Vsevolod Galitskiy, first secretary of the Soviet Embassy was also present. During their visit, they were received by Men Sam-an, Politburo member, and president of both the commissions for organization and for propaganda and education, of the P.R.P.K. Central Committee. They also gave lectures to several offices in Phnom Penh and Kompong Speu Province, and visited the ex-royal palace, the national museum, the Tuol Sleng museum of genocide and the shopping centre in Phnom Penh. [Text] [Phnom Penh SPK in English 1131 GMT 17 Dec 85 BK] /7358

PURSAT ACTION AGAINST ENEMIES--Phnom Penh SPK December 17--Pursat Province, 150 km northwest of Phnom Penh, has foiled all acts of sabotage by the enemy. In the third quarter of this year, the revolutionary armed forces in close cooperation with the local population and Vietnamese Army volunteers, conducted many mopping-up operation during which they put 250 reactionaries out of action, wounded 35 others, and seized 21 guns and a quantity of ammunition. Moreover, 24 enemy troops defected and rallied to the local revolutionary authorities, bringing along seven guns. [Text] [Phnom Penh SPK in English 1126 GMT 17 Dec 85 BK] /7358

WFTU LECTURER ON TOUR--Phnom Penh SPK December 4--Dr Jan Zuek, a lecturer from the World Federation of Trade Unions, has just concluded a fortnight-long lecturing tour of Kampuchea. While in Kampuchea, he spoke to 1,000 union activists from various ministries and offices on the role and movement of the international trade unions in the new stage, particularly in the struggle for preserving the right and interest of working class, and defending national independence, peace and social progress. He also visited the "Kampuchea-Hungarian friendship" orphanage in Kandal Province, a pisciculture center at Chrang Chamreh, in a northern suburb of Phnom Penh and the "liberation" cigarette factory in Phnom Penh. [Text] [Phnom Penh SPK in English 1111 GMT 4 Dec 85 BK] /7358

TRADE WITH HUNGARY--Phnom Penh SPK December 14--An agreement on goods exchange and payment for 1986-90 and a protocol on goods exchange in 1986 between Hungary and Kampuchea were signed in Budapest Thursday, reports V.N.A. Signatories were Hungarian Vice Minister of Foreign Trade Perme Pitto and Kampuchean Vice Minister of Home and Foreign Trade Phang Saret. Under the agreement, Hungary will import from Kampuchea rubber, soybean, sesame, rubber products, tobacco and timber, and export to Kampuchea medicine, electric equipment, chemical products and textiles. [Text] [Phnom Penh SPK in English 1116 GMT 14 Dec 85 BK] /7358

RETURNEES IN BATTAMBANG--Phnom Penh SPK December 16--From January to mid-November, 421 misled people broke with the enemy and reported themselves to the revolutionary authorities at Sisophon District, Battambang Province, 300km northwest of Phnom Penh. [Text] [Phnom Penh SPK in English 1128 GMT 16 Dec 85 BK] /7358

GDR LECTURERS--Phnom Penh SPK December 13--A group of lecturers led by Juchen Hampel, lecturer of the Propaganda Department of the Socialist Unity Party of Germany (S.E.D.) Central Committee, left Phnom Penh Thursday morning after a speaking tour in Kampuchea. The group spent four days in Phnom Penh and in

Kandal Province, giving lectures on preparations for the 11th S.E.D. Congress and on experiences of the G.D.R. in building a developed socialist society. The rest of their time was spent on visiting the Toul Slong museum of genocide and the former royal palace in Phnom Penh, and the Angkor Vat temple in Siem Reap-Oddar Meanchey Province. The visitors also met with Nim Thot, vice president of the Commission for Propaganda and Education of the People's Revolutionary Party of Kampuchea Central Committee. [Text] [Phnom Penh SPK in English 1108 GMT 13 Dec 85 BK] /7358

CSO: 4200/416

SRV OFFICIAL HOPES PRESENCE AT FAIR WILL LEAD TO TRADE LINKS

HK141026 Hong Kong AFP in English 0958 GMT 14 Nov 85

[By Pierre-Antoine Donnet]

[Text] Beijing, 14 November (AFP)—A senior Veitnamese official said today he hoped Vietnam's participation in China's biggest-ever international trade fair here would lead to the first Sino-Vietnamese trade links in 7 years.

But a Chinese trade official said Vietnam's presence at the Asia-Pacific International Trade Fair (ASPAT 85) opening here tomorrow would have "no effect" on bilateral relations, severely strained since Vietnam invaded Cambodia in 1978 and China and Vietnam fought a brief but bloody border war in 1979.

"We hope to establish trade contacts with Chinese partners, for the first time in many years," Hoang Nhu Ly, deputy general director of Vietnam's Ministry of Foreign Affairs, told AGENCE FRANCE-PRESSE.

"China has helped us a lot in the past and we will never forget it," he added, stressing that the presence here of Vietnam's former foreign trade minister, Phan Anh, bore witness to Vietnam's strong interest in resuming trade links with China.

But Sun Fang, vice chairman of the China Council for the Promotion of International Trade (CCPIT), co-organizer of the exposition, said Vietnam's presence at the fair would have "no effect on Sino-Vietnamese relations."

Mr Sun emphasized at a press conference that China and Vietnam currently have no trade relations.

He said it was normal to invite a Vietnamese delegation to China for the fair as Vietnam was a member of the UN Economic and Social Council for Asia and the Pacific (ESCAP), an organizer of the event.

Vietnam, one of 26 countries participating in the biggest international exposition ever organized in China, is to display products of 19 light industry and handicraft enterprises in a 180 square meter (216 square yard) area.

China had close relations with Vietnam from the 1950's until 1978, providing it with major economic assistance, as well as support in the Franco-Vietnamese and Vietnamese-U.S. conflicts.

But today, China and Vietnam regularly report armed clashes along their common border which is officially closed to trade, and their leaders have had no direct and public contact outside the United Nations since the two countries fell out.

China is demanding the complete withdrawal of Vietnamese troops from Cambodia as a condition for negotiations on normalizing relations with Vietnam.

Mr Phan, who was Vietnamese foreign minister in 1945 before becoming minister of industry and foreign trade, in April was the first influential Vietnamese to visit China since the Sino-Vietnamese split.

Mr Phan, now president of the Vietnamese Association for the Preservation of Peace, met at length with China's former Foreign Trade Minister Li Qiang. Beijing stressed that the meeting was "strictly private" to discuss "the friendship between two old friends."

Mr Hoang said that Mr Phan was currently here as the head of a delegation of about a dozen people charged with presenting to the Chinese public a wide range of Vietnamese products, from canned foods to furniture.

A non-governmental delegation from South Korea, which has no diplomatic relations with China, is also to pay a visit here during the ASPAT 85 exposition.

Mr Sun said the delegation would take advantage of its trip to China to hold trade negotiations with other countries, but not with China.

He explained that although South Korea was also an ESCAP member, it was "preferable that it not participate directly in the exposition."

The fair will display the products of 1,200 participants from China and such countries as the Soviet Union, the United States, Mongolia, Pakistan, Japan and Australia.

The Chinese stands will show advanced technology, particularly of its nuclear and astronautic industry.

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CSO: 4000/068

INTERNATIONAL RELATIONS, TRADE, AND AID

CEMA PATENT OFFICE LEADERS' CONFERENCE OPENS

OW042023 Hanoi VNA in English 1617 GMT 4 Dec 85

[Text] Hanoi VNA 4 December—The 26th conference of the leaders of patent offices of the countries members of the Council for Mutual Economic Assistance (CMEA) opened here this morning.

The conference was attended by delegations from the Soviet Union, Bulgaria, Hungary, the German Democratic Republic, Cuba, Mongolia, Poland, Romania, Czechoslovakia and Vietnam, and members of the CEMA Secretariat. Speaking at the opening ceremony Dang Huu, alternate member of the Communist Party of Vietnam Central Committee and chairman of the State Commission for Science and Technology, stressed that over the past years, the Vietnamese party and government have paid special attention to the development of science and technology, including inventions and innovations and industrial patents. In 1981, the Vietnamese Government promulgated the regulation on inventions and innovations and 1 year later, the regulations on patents. The Innovation Department under the State Commission for Science and Technology was set up with the aim of assisting the government in leading and monitoring innovations and inventions and industrial patents on a national scale. As a result, in 1984, the Vietnamese State Commission for Science and Technology began issuing certificates of innovation and patents to Vietnamese and foreign citizens. The fine development of this work, however, is inseparable from the valuable assistance the matters of professionalism, personnel training, documentation and other fields from the fraternal socialist countries. [sentence as received]

/12232
CSO: 4200/349

INTERNATIONAL RELATIONS, TRADE, AND AID

BRIEFS

FLOOD RELIEF FROM CSSR--Hanoi VNA 2 December--Czechoslovak Ambassador to Vietnam Bohuslav Handl this morning handed over to Mrs Do Thi Tai, head of the Vietnam Committee for the Reception of Foreign Aid and Phan Trung Chinh, representative of the storm-torn province of Binh Tri Thien, a quantity of medicines, foodstuffs, fabrics, clothing, blankets, as relief to Vietnamese flood victims. The 2.5 million Korunas worth emergency aid was donated by the Czechoslovak Government, Red Cross and various mass organizations. Mrs Do Thi Tai and Mr Phan Trung Chinh sincerely thanked the Czechoslovak Government and people for the relief. [Text] [Hanoi VNA in English 0916 GMT 3 Dec 85 OW] /12232

HANOI VCP GDR VISIT--Hanoi VNA 29 Nov--A delegation of the Hanoi Committee of the Communist Party of Vietnam led by Banh Ngoc Quy Quy [name as received], director of the Le Hong Phong Party School, paid a visit to Berlin (from 30 October to 12 November). While in Berlin, the delegation visited the School of the Socialist Unity Party of Germany (SED) of Frierich Engels City and met with party officials studying at various local party schools. R. Grimon, member of the Secretariat of the Berlin Party Committee, informed the Vietnamese guests of the preparation for the SED's 11th Congress. [Text] [Hanoi VNA in English 1523 GMT 29 Nov 85 OW] /12232

POLISH UNIVERSITIES HONORED--Honored VNA 27 November--Vietnamese Ambassador to Poland Hoang Trong Thuat has conferred the Vietnamese "Friendship" order on six Polish universities in recognition of their outstanding contributions to training science workers and technicians for Vietnam. The recipients were the Polish Language Tuition Centre for Foreign Students in Lodz, the Jagiellonian University in Kracow, the B. Beirut University in Wroclaw, the Wincenty Pstrowski Technical University in Silesia, the Technical University in Wroclaw, and the Technical University in Xzczecin. The conferment was made in Warsaw on 20 November at a ceremony to mark the 30th anniversary [of] the Polish-Vietnamese agreement on training Vietnamese science workers and technicians in Poland. Present on the occasion were Polish Minister of Science, Higher Education and Technology Benon Miskiewicz, representatives of the International Department and the Department for Science and Education of the Central Committee of the Polish United Workers' Party, the Foreign Ministry, Poland-Vietnam Friendship Association and 30 universities and science institutes in Poland. [Text] [Hanoi VNA in English 0708 GMT 28 Nov 85 OW] /12232

FLOOD RELIEF FROM MPR--Hanoi VNA 23 November--The Mongolian Red Cross has decided to send medicine, food, and consumer goods worth 100,000 turgriks as relief to Vietnamese flood and storm victims in the central province of Binh Tri Thien. The relief will be delivered through the Vietnam Red Cross Society soon. [Text] [Hanoi VNA in English 1546 GMT 23 Nov 85 OW] /12232

CPV SENDS SED CONDOLENCES--Hanoi VNA 4 December--The Central Committee of the Communist Party of Vietnam has extended their heartfelt condolences to the Central Committee of the Socialist Unity Party of Germany (SED) over the death of Gen Heinz Hoffmann, Political Bureau member of the SED Central Committee and minister of national defence. The message says: "As a staunch communist militant, a reputed military leader, an outstanding son of the GDR working class and people, and a close friend of the Vietnamese people, Comrade Heinz Hoffmann has made big contributions to socialist construction and national defence in the German Democratic Republic, and to the consolidation and development of the friendship and cooperation between the Socialist Unity Party of Germany and the Communist Party of Vietnam, between the peoples and armies of our two countries." [Text] [Hanoi VNA in English 1555 GMT 4 Dec 85 OW] /12232

ISRAELI COMMUNIST PARTY CONGRESS--Hanoi VNA 4 December--The Central Committee of the Communist Party of Vietnam (CPV) has warmly greeted the 20th congress of the Israel Communist Party (ICP). The CPV Central Committee said in its message of greetings: "Over the past years the Israel Communist Party has unceasingly united all democratic and progressive forces in Israel and stood in the van of the hard and complicated struggle against the reactionary policy of the Israeli Zionist administration in collusion with the U.S. imperialists, for the people's right to live, democracy and social progress in Israel, for fundamental national rights of the Arab Palestinian people and for a genuine and durable peace in Middle East. The Communist Party and people of Vietnam always follow with deep sympathy your heroic struggle and greatly rejoice at its development. On this occasion, we would like to reaffirm the unswerving support of the communist party and people of Vietnam for the just cause of the ICP and wish you many new achievements, thus contributing to the world people's common struggle for peace, national independence, democracy and social progress. May the solidarity and friendship between our two parties and between the Vietnamese people and the Israeli working people further consolidate and develop." [Text] [Hanoi VNA in English 1538 GMT 4 Dec 85 OW] /12232

GANDHI'S SRV VISIT--Hanoi VNA 5 December--"India was happy that Vietnam's relations with the ASEAN countries have improved and talks were being held to find a solution to the Kampuchean problems," said Indian minister for external affairs on 3 December before "Rajya Sabha" (the Upper House of the Indian Parliament) about the results of Prime Minister Rajiv Gandhi's recent visit to Vietnam. He continued: "India was also happy that Vietnam was ready to talk to all parties involved in the issue, barring Pol Pot who has been responsible for butchering nearly half of his fellow Kampucheans. "India and Vietnam shared identical or similar views on a number of important international issues. On Kampuchea the Vietnamese leaders reaffirmed their desire to arrive at an early political solution and emphasised their commitment to withdraw Vietnamese troops by 1990 or even earlier, in the event of an acceptable political solution being found." The Indian official also highlighted the economic and technical assistance being extended to Vietnam by India saying that if any country deserved assistance, it was Vietnam. [Text] [Hanoi VNA in English 0700 GMT 5 Dec 85 OW] /12232

NGUYEN VAN HIEU VISITS CUBA--Hanoi VNA 5 December--Academician Nguyen Van Hieu, alternate member of the Communist Party of Vietnam Central Committee and director of the Vietnam Institute of Sciences, paid a visit to Cuba from 16-22 November. Nguyen Van Hieu exchanged experiences with the chairman of the Cuban Academy of Sciences in their scientific research work. The two also evaluated the cooperation between the two organizations and signed the minutes of the scientific cooperation for the 1986-90 period between the Vietnam Institute of Sciences and the Cuban Academy of Sciences on the exploitation of natural resources, the micro-biological manufacture, oceanology, and other fields of mutual concern. Nguyen Van Hieu toured various scientific research establishments and met with Cuban scientists. [Text] [Hanoi VNA in English 1506 GMT 5 Dec 85 BK] /12232

RED CROSS GIFT TO NICARAGUA--Hanoi VNA 5 December--Doctor Nguyen Van Tin, vice-president [of] the Vietnam Red Cross, on Tuesday made a token hand-over in Hanoi of Vietnam's gift to the Nicaragua Red Cross represented by Fanor Herera, deputy head of the Socialist Department of the International Commission of the Sandinista National Liberation Front. The gift was donated by the Vietnam Red Cross to the Sandinista combatants. Present on the occasion were representatives of the Cuban embassy in Hanoi, the Ministry of Foreign Affairs, the International Department of the CPV Central Committee and of the Vietnam Committee for Solidarity and Friendship with other people. [Text] [Hanoi VNA in English 0724 GMT 5 Dec 85 OW] /12232

CONDOLENCES TO GDR--Hanoi VNA 5 December--Minister of Defence Gen Van Tien Dung has sent deepest condolences to his GDR counterpart, Gen Heinz Kessler, over the passing away of Gen Heinz Hoffmann, Political Bureau member of the Socialist Unity Party of Germany (SED) Central Committee and minister of national defence of the GDR. In his message, Gen Van Tien Dung praised Gen Heinz Hoffmann as an outstanding military and political leader of the German Democratic Republic and a staunch international combatant. The Vietnamese people and army, the message says, have always engraved in their mind Gen Heinz Hoffmann's fine feelings toward and devoted assistance to Vietnam in the past war of resistance against U.S. imperialism and in socialist construction and defence at [word indistinct]. Gen Heinz Hoffmann's death is a great loss to the SEC and GDR people, and the Vietnamese people and army have lost a close comrade-in-arms, it stresses. [Text] [Hanoi VNA in English 1518 GMT 5 Dec 85 BK] /12232

CSO: 4200/349

PARTY ACTIVITIES AND GOVERNMENT

TRAN QUOC HUONG INTERVIEWED ON COMPLAINTS

OW040506 Hanoi Domestic Service in Vietnamese 1100 GMT 29 Nov 85

[Interview with Tran Quoc Huong, member of the CPV Central Committee and first vice chairman of the State Inspection Commission by unidentified reporter; date, place not given--recorded]

[Text] [Unidentified reporter] Comrades: It has been 4 years since the decree governing the scrutiny and resolution of citizens' complaints and denunciations was promulgated.

Implementing a Council of Ministers' directive, the State Inspection Commission recently held a conference to review the implementation of this decree. On this occasion comrade, will you please tell the Voice of Vietnam listeners about the implementation of this decree over the past 4 years.

[Tran Quoc Huong] On 27 November 1981, the chairman of the Council of State signed and promulgated a decree for scrutinizing and resolving citizens' complaints and denunciations. Thus the decree has been in existence for exactly 4 years.

With the promulgation of this decree, our state took steps to instituionalize, by law, the right of mastery by the laboring people; define the citizen's right to complain and denounce; strengthen the people's control of state organs, economic, cultural, and social organizations, and people's armed forces units; and specify the responsibility and authority of the heads of sectors, echelons, organizations, and units in scrutinizing and resolving citizens' complaints and denunciations.

Recently, the State Inspection Commission held a conference to review the implementation of the decree. The conferees, in a close review, assessed the strong points and shortcomings in implementing the decree, drew experiences for work improvement and set forth measures to enhance the efficiency and quality of the scrutiny and resolution of citizens' complaints and denunciations.

Recently, the State Inspection Commission held a conference to review the implementation of the decree. The conferees, in a close review, assessed the strong points and shortcomings in implementing the decree, drew experiences for work improvement, and set forth measures to enhance the efficiency and

quality of the scrutiny and resolution of citizens' complaints and denunciations, especially the measures for resolving long-standing denunciations and extra-echelon petitions.

Since the promulgation of the decree, the Council of Ministers has twice reported to the Council of State on the results of the implementation, and has duly concerned itself with instructing sectors and echelons in scrupulously implementing the decree.

In February 1984, the Council of Ministers directed an initial review of 2 years of implementation of the decree. Early this year, it again directed all sectors and echelons to review the implementation of the decree.

In implementing the decree and instructions from the Council of Ministers, all sectors and echelons have urgently proceeded to get their cadres to thoroughly grasp the decree, carry out propaganda to popularize it among the people, and organize implementation of the decree.

Many comrade ministers, heads of organs under the Council of Ministers, chairmen of provincial, municipal, district, and precinct people's committees, have organized places for people's receptions, have have periodically received people, once or twice a month. In some areas, unit chiefs' receptions have been closely coordinated with people's receptions by National Assembly delegations. As a result, many people's complaints have been resolved locally, 50 percent in some areas.

The scrutiny and resolution of citizens' complaints and denunciations is a concern of the leadership of many sectors and echelons, which have duly and promptly resolved them--with 70-80 percent of citizens' complaints and denunciations resolved in many areas. Initial experiences have been drawn for work improvement which has contributed to consolidating the people's confidence in the party and administration.

Inspection organs at all echelons and in all sectors, implementing their responsibilities specified in Articles 19 and 27 of the decree, have conducted close scrutiny; made proposals to administration echelons in resolving citizens' complaints and denunciations; and actively carried out their function of controlling and supervising all sectors, echelons, and units in implementing the system of people's receptions and in scrutinizing and resolving citizens' complaints and denunciations. In particular, since the CPV Central Committee Secretariat issued directive No 38 on strengthening party leadership over inspection work and the Council of Ministers issued Resolution No 26 on strengthening the organization and enhancing the efficiency of inspection work, inspection organizations, owing to the concern of party committees and administrations at all echelons, have been further consolidated and strengthened. As a result, good results have been achieved in many areas of scrutinizing and resolving citizens' complaints and denunciations.

[Reporter] As you have said, initial good results have been achieved in scrutinizing and resolving citizens' complaints and denunciations. What then are the lingering problems in implementing the decree?

[Tran Quoc Huong] Although the scrutiny and resolution of citizens' complaints and denunciations have achieved initial good results, with better results than in the period preceding the promulgation of the decree, the results scored remain low considering the requirements. Progress is still uneven in the sectors, echelons, and units. There are still large numbers of pending extra-echelon petitions, an average of about 20 percent; in some areas in particular, up to 50 percent of pending complaints and denunciation letters remain unresolved annually. Many cases of complaints and denunciations still linger with no efforts made to resolve them definitely, especially when the cases concern authoritative cadres. It is noteworthy that a number of responsible and authoritative cadres at all echelons, sectors, and units still evade their responsibility, fear internal conflicts, and worry about spoiling their units' achievement records. Therefore, they do not clearly show their willingness to definitely solve citizens' complaints and denunciations. Even in some cases there are violations of democratic rights; attempts to block the efforts of complainers and denunciators; and repression and prejudice against them. In resolving citizens' complaints and denunciations, there are still many cases the authoritative echelons have failed to resolve in accordance with policies and the law, and failed to resolve them within the period specified in the decree. Decree violations are still numerous. There are cadres who surrepitiously read petitions, lead the names of plaintiffs to defendants, and fail to correctly observe decisions of authoritative echelons or resolutions of inspection organs, thus hurting the citizens' ecopolitical rights.

Among the citizens, there are also a number of people who take advantage of their complaint and denunciation rights to libel others and distort the truth or to cause internal dissension out of personal enmity or interests. However, sectors, echelons, and legally-established organs have not yet cleared up and correctly handled these cases.

Reality has shown that the scrutiny and resolution of citizens' complaints and denunciations is complex work. All citizens' complaints about violation of their ecopolitical rights are related to the implementation of party and state procedures and policies and involve authoritative cadres. Virtually all citizens' denunciations are directed at abuse of power, corruption, embezzelemnt of socialist property, violations of the principles and systems of economic management, bureaucratism, authoritarianism, bribery, and oppression of the masses: they also involve authoritative cadres.

[Reporter] In order to remedy the aforesaid lingering shortcomings and further raise the efficiency of the decree, what measures do you think are necessary?

[Tran Quoc Huong] Realistic experience shows that areas that implement decisions well and promptly and correctly resolved citizens' complaints and denunciations are the areas where party committee echelons have duly exercised their leadership. The responsibility of administrative echelons, mainly that of unit chiefs, must be upheld.

In order to further raise efficiency in implementing the decree in the coming period, we feel that if we do well the following three types of work, changes for the better and higher efficiency will be achieved in the scrutiny of complaints and denunciations:

First, suggestions should be made so that all party committee echelons show concern in their leadership over the scrutiny and resolution of citizens' complaints and denunciations and that comrade unit chiefs at all echelons, sectors, organs, and units, through realistic activities adopt measures for propaganda and education so that everyone in their respective organs and units will clearly perceive their own responsibilities and duties in observing the law in general and the decree on scrutinizing and resolving complaints and denunciations in particular.

For the immediate future, efforts should be made to step up propaganda to popularize the penal code recently promulgated by the state, and propaganda also should continue to popularize far and wide among the people the decree on scrutinizing complaints and denunciations. Positive measures should be taken to resolve pending and extra-echelon petitions by providing instructions for close coordination between the inspection sector and the sectors concerned in the scrutiny; offering appropriate resolutions; strengthening leadership at the grassroots level; and conclusively eliminating locally all causative factors in order to minimize the number of extra-echelon petitions.

Second, inspection organs at all echelons and sectors must be further strengthened and consolidated, and greater efforts must be made on scrutinizing petitions to administrations at all echelons demanding resolution of citizens' complaints and denunciations. They must intensify inspection and control and make unit chiefs at all sectors, echelons, and units more conscious of their responsibilities in receiving people and resolving complaints and denunciations; concentrate guidance on advanced training for people's inspectors at the grassroots level; do a good job in performing the function and task of making regular and local controls and in supervising the implementation of procedures and policies of the party, state, and local party organizations; and detect, offer resolutions on, and promptly resolve complaints and denunciations at the grassroots level.

Third, the scrutiny and resolution of complaints and denunciations is complex work involving the entire party and people which the inspection sector cannot handle alone. Close coordination is needed from the grassroots level upward; among sectors and echelons; especially between state inspection work and party control work; among the inspection sector and the people's organ of control, the courts, the judiciary, and mass organizations such as trade unions, the youth union, and the women's union; and among the sectors in charge of policies very much related to the citizen's rights and from which complaints and denunciations most often originate, such as the labor, public security, housing, land, war invalids, and social welfare sectors. Coordination should be under the concentrated leadership of party committee echelons and the administration in order to resolve rapidly, promptly, and correctly citizens' complaints and denunciations, especially the long-pending ones.

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CSO: 4209/150

AGRICULTURE

PAST 10 YEARS OF PROMOTING SCIENCE AND TECHNOLOGY REVIEWED

Hanoi KHOA HOC VA KY THUAT NONG NGHIEP in Vietnamese Jul 85 pp 291-293

[Article by Dien Van Hung, of the Institute of Agricultural Science and Technology, Ho Chi Minh City Agricultural Service: "Results of Efforts To Apply Technical Advances in Agriculture in Ho Chi Minh City Over Past 10 Years"]

[Text] The rapid application, at key points, of scientific and technical accomplishments and rapid adoption of technical advances in production, aimed at increasing crop yields and livestock herds and increasing the effectiveness of production and labor productivity in agriculture, are extremely important and essential tasks during the present phase of reform and reorganization of production along the lines of large-scale socialist production.

When the city was liberated 10 years ago, many changes took place in objectives and tasks of efforts to research ways to apply technical advances in agricultural production of the municipality. They changed from scientific and technical activities in laboratories, test tubes, planters, and small pens to practical application closely tied to production and the needs of society.

After liberation, agricultural production, unlike the situation with industry and other branches of the economy, had no significant material and technical base supporting research on the application of scientific and technical advances. The intellectuals and those involved in scientific and technical work under the old regime were new and inexperienced before the extraordinary societal changes, and scientific and technical cadres trained in the north and in socialist countries lacked experience in managing the extremely complicated circumstances of a multi-element production base. To gather together and activate very great scientific and technical forces at this moment in order to develop the learning and knowledge of people in the interest of serving production that is in the initial stage of the period of reform and reorganization is truly a brand new and infinitely difficult task while there is still no model for organizing either the realities of daily life or the realities of agricultural production. In those concrete circumstances, we learned from experience and gradually reformed and perfected each aspect of the task in order to enable as effective use of scientific achievements and technical advances as possible in production. In 1977, the Municipal Agricultural Service set up the Science and Technology Board with the aim of gathering together scientific and technical cadres of differing educational backgrounds. In August 1981, faced with increasingly more urgent production needs, the Science and Technology Board changed its name to the Institute of Applied Agricultural Science and Technology, the research base for which consists of the production collective and the agricultural cooperative. The board tied scientific and technical activities closely to meeting agricultural production planning norms for each year and each period, which made them markedly effective.

Though confronted by many difficulties with the material base and facilities needed for applying technical advances in production, thanks to a clear grasp of mission and functions and with close guidance from the Municipal Party Committee, the Municipal People's Committee, and the Agricultural Service and positive assistance from central echelon scientific and technical departments, sectors, and agencies represented in the municipality, along with surpassing endeavors on the part of science and technology cadres in the agricultural sector, this organization developed, from the start, the positive role of science and technology in direct service to agricultural production and has attained some encouraging results over the past 10 years.

In rice production, to satisfy the needs of intensive cultivation and increase the number of crops each year and in contribution to a solution to the problem posed by the biotype 2 brown planthopper (Nilaparvata lugens), we used seed selection and experimentation since 1979 to determine and put into production such short-term, pest-resistant, and high-yield varieties as NN3A, NN6A, NN8A, IR 13240-10-1, and IR 8423-132-6-2. The pre-liberation capability to plant basically only one 10th-month rice crop has been replaced by production of reasonably stable summer-fall and winter-spring crops over an area of 12,000 hectares for summer-fall rice and 8,000 hectares for winter-spring rice.

The main crop of the year is till the 10th-month crop, so special importance was attached to seed selection for it. A number of varieties of 10th-month rice have been determined to have good prospects and high yields (4-5 tons per hectare), such as Doc Phung, Tieu Doi, Nang Rung, Can Tho, and Nang Huong. Likewise, such varieties as Mahsuri, NN4B, and NN5B were added to the crop structure.

In combination with using such methods of intensive cultivation as transplanting thickly enough (15 cm by 15 cm for short-term varieties and 25 cm by 25 cm for local varieties of 10th-month rice), using seedlings of the right age, fertilizing rationally with proper NPK balance, fertilizing at the right time and in the right way, and using means of protecting plants which take into consideration special features of weather and climate, we instituted ways of adjusting the cropwork schedule to work the 10th-month and the winter-spring crop early. Because of these positive measures, per-hectare yields of 10th-month rice increased from 2,395 tons (1976) to 3,550 tons (1984), per-hectare yields of winter-spring rice increased from 1,816 tons (1976) to 2,884 tons (1984), and yields of summer-fall rice increased from 2,415 tons (1976) to 3,686 tons (1984). The output of rice in 1984 reached 239,652 tons, which is 146.19 percent of that of 1976 (163.934 tons) and amounted to an average per-capita productivity for the suburban agricultural population of 460 kg of food in 1981--the figures for 1981, 1982, and 1983 were 361 kg, 425 kg, and 446 kg, respectively, per person.

In vegetable-raising, parallel to efforts to build up the area specializing in raising vegetables and short-term industrial crops, the municipality conducted successful experiments and introduced many new seed varieties, such as heat-resistant KK Cross common head cabbage (with per-hectare yields of 40-45 tons), Snow Ball cauliflower (with per-hectare yields of 15-20 tons), fragrant, white-tubed field cabbage (over 20 tons per hectare), red Polish tomatoes, and Hungarian wasp-wax peppers, which enriched vegetable varieties in the areas of the municipality that specialize in raising vegetables and caused the structure of varieties to shift in the direction of constantly increasing quality, especially with vegetable varieties of high economic value and export potential. Experimental attempts to raise cabbage and cauliflower, which could not be raised previously within the municipality, were now successful, and they were began to be raised on a large scale (300 hectares of cabbage, 100 hectares of cauliflower each year). Additionally, research was done on the production of a micro-organism Bactosporin pesticide (using the species Baccilus-Thuringiensis) to eradicate the green worm (Heliothis armigera/obsoleta) and the diamondback moth (Plutella maculipennis), and technical advances were adopted for implementing a rational farmwork structure in the area specializing in the cultivation of vegetables, methods of reserving ordinary vegetable seeds, and regulations for intensive cultivation of export crops. The area devoted to raising vegetables has been expanded to 2,236 hectares (of a total of 15,140 hectares of vegetables annually) and a vegetable output of 259,771 tons per hectare (1984) compared to an output of 153,886 ton per hectare in the first year after liberation (1976), ensuring that 60 percent of the entire city's demand for vegetables was satisfied.

As for beans, experiments were used to select DKH4 soybeans (also called DT 76) and to verify that they had potential for development in Ho Chi Minh City, to provide preliminary evaluations of yields of a number of peanut varieties such as Giay, Bi, and Nu, and also verify a number of important nutritional factors as well as the effectiveness of organic an inorganic fertilizer in grey, depleted soil (before liberation a white, abandoned belt): 10-20N nitrogen, 40-60 P_2O_2 phosphorus, 40-6a K_2O potassium, 5 tons of organic fertilizer per hectare, 500-1000 kilograms of lime can raise yields to a marked degree. Examples of high peanut yields (1.5-2.5 tons per hectare) were not rare, although peanut yields in the main planting were 1.2 tons per hectare.

In livestock raising, because swine and chickens have long been imported, they are gradually disappearing. Therefore, in addition to carefully selecting breeding stock and emphasizing the elimination of old and weak breeders and exchanging breeders between farms to reduce the incidence of inbreeding, the municipality imported a number of highly productive breeds of swine, such as Yorkshire, Landrace, Duroc, and Pietrain, and such industrial breeds of chicken as Plymouth and Hubbard (for meat) and Leghorn and Hubbard Comet (for eggs). In order to add to the variety of poultry pens in the municipality, Hungary has brought over a number of new breeds of chicken, and experimental raising has shown that there is potential for the Tojo breed for meat production and the Tetra breed for egg production.

In reference to ducks, in addition to breeds that we have had for a long time, such as the vit ta, vit tau, and vit xiem, we have recently imported a number of Peking ducks and Anh Dao ducks which have shown a preliminary good potential in the municipality.

Dairy cows have received special attention. There are many instances of sites being established on the outskirts of the city to raise dairy cattle which are a cross between Sindhi and Holstein breeds via artificial insemination. Recently, artificial insemination performed on beef cattle of Hereford, Limousin, and Hungarian Spotted breeds resulted in a crossbreed that has great potential.

Advances in animal husbandry were also adopted rather extensively. Noteworthy were technical advances in the use of oestrogen from the serum of pregnant horses on sows 9-10 months old and female piglets 2-3 months after weaning, with results of 80 percent conception. Also noteworthy was the exploitation of crossbreeding, whereby a commodity breed was created from three others, the Yorkshire, Landrace, and Duroc, which was easy to raise and grew fast; pure breeds were bred in the industrial swine sector by artificial insemination; rations were fixed for sows with farrow in state-operated pens to prevent or lessen MMA disease (inflamation of the udder, inflamation of the uterus, depletion of milk); using electronic calculators in the coordination of mixed feed and complete utilization of required nutriments in raw materials at livestock feeds enterprises; exploiting the crossbreeding advantages between the meat-producing Hubbard breed of chicken and the Plymouth breed in order to produce a meat-producer that puts on weight fast and to shorten the raising period and lessen the cost of feed; and exploiting the crossbreeding advantages between the New Hampshire and Leghorn breeds in order to produce a commodity chicken for family animal husbandry efforts.

Thanks to adopting technical advances in production, the animal husbandry sector of the municipality made significant progress. As of 1984, swine had increased to 232,408 head, of which 33,653 were sows (there were only 123,733 in 1976); there were 1,326,908 chickens, 240,957 of them industrial chickens (there were 681,220 in 1976); there were 851,405 ducks, among them 149,000 breeders (there were only 139,380 in 1976). There are also a considerable number of bovines.

Experience over the past years indicates that if we want to effectively adopt technical advances in production we must pay attention to such activities as setting up demonstration stations, holding training, arranging visits, distributing and popularizing short and simple technical documentation, exemplifying production models, and organizing activities to report scientific and technical advances. The following activities need attention:

Setting up Demonstration Stations

Stations to demonstrate intensive cultivation of such new rice varieties as IR-8423-132-6-2-2, IR-13240-10-1, OF-33, Mahsuri, and local 10th-month varieties, intensive cultivation techniques for short-term rice, intensive cultivation of cauliflower, cabbage, tomatoes, peppers, and peanuts, as well as stations to demonstrate planting more crops a year and to protect plants helped popularize new varieties and new technology widely. After results were achieved in experiments on the 10th-month of 1982 in Nha Be District, the Mahsuri variety was rather rapidly popularized and was put solidly into production over thousands of hectares. There has actually never been a new rice variety so rapidly accepted by farmers and put into production so vigorously. It is precisely this that is the result of their having HEARD, SEEN, and effectively PERFORMED BY AND FOR THEMSELVES through the demonstration point.

Points to demonstrate such aspects of animal husbandry as ways of raising industrial chickens (meat and egg producers) in the home, and methods of caring for, artificially inseminating, and breeding pure breeds of sows and piglets helped expand animal husbandry among families at suburban districts and wards on the outskirts of the city.

Holding Training

This task aims at providing local technical cadres, grass-roots cadres, cadres in charge of cooperatives and production collectives, and production collective and cooperative members the basic knowledge and understanding needed for more effective production. It is an inexpensive and effective means of popularization.

Over the past cycle, we held courses on the techniques of planting high-order vegetables (such as cauliflower, cabbage, and tomatoes) and short-term industrial plants (peanuts, soybeans), techniques of intensive cultivation, and techniques of protecting planted vegetation. We also held courses in techniques of raising livestock.

Arranging Visits

In addition to setting up demonstration points and holding training courses, on-the-spot visits should be arranged primarily for cooperative cadres and farmers directly involved in production so that they can be firmly convinced of and see with their own eyes the results of technical advances and will apply them in their own fields.

Simultaneously with the above activities, we selected and distributed simple, easily understood, and easily applied technical documents for use in popularizing technical advances in production installations and among farmers, and we spread scientific and technical knowledge of each type of plant and farm animal and closely followed each agricultural season through newspapers, radio broadcasts, and local information agencies.

Finally, science and techniques can be popularized by means of specialized reports of domestic and foreign specialists aimed at teaching and expanding technical cadres' knowledge of their occupational specialties.

The above efforts in science and technology were truly effective at influencing the implementation of agricultural production plans in the municipality and played an important part in building up the food belt, producing short-term industrial crops, and promoting intensive cultivation and multi-cropping of grains, partially responding to the need for the scientific and technical revolution to play an essential role in the three revolutions going on in Ho Chi Minh City.

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CSO: 4209/46

AGRICULTURE

BRIEFS

FOREST LAND ALLOCATIONS--Hanoi VNA 26 November--Since early this year 573,000 ha of forests and forest land have been allocated to production groups, army units, educational institutions, and peasant households in the various provinces in Vietnam. These lands were formerly placed under the unified management of the Forestry Service of the government. Besides, plans for comprehensive forestry development have been worked out at 211 districts. With the assistance of the Forestry Service all the localities and units have quickly developed their new business. According to incomplete statistics, nearly 7,000 agricultural cooperatives in 11 provinces have made forestry one of their main business lines. [Text] [Hanoi VNA in English 0721 GMT 26 Nov 85 OW] /12232

CSO: 4200/349

BIOGRAPHIC

INFORMATION ON VIETNAMESE PERSONALITIES

[The following information on Vietnamese personalities has been extracted from Vietnamese-language sources published in Hanoi, unless otherwise indicated. Asterisk before job title indicates that this is the first known press reference to this individual functioning in this capacity.]

Trần Xuân Bách [TRAANF XUAAN BACHS]

Secretary of the CPV Central Committee; on 4 September 1985 he headed a Vietnam-Soviet Friendship Association Delegation to attend ceremonies marking the 40th anniversary of the August Revolution in the USSR. (QUAN DOI NHAN DAN 6 Sep 85 p 1)

Phạm Hoà Bân [PHAMJ HOAF BAAN]

*Vice chairman of the People's Committee, Ha Son Binh Province; on 30 August 1985 he attended an awards ceremony marking the 40th anniversary of the August Revolution in his province. (QUAN DOI NHAN DAN 31 Aug 85 p 1)

Bùi Minh Dần [BUIF MINH ZAANF]

Deputy Group Commander (Political), Song Da Group. (QUAN DOI NHAN DAN 30 Aug 85 p 2)

Nguyễn Ngọc Doãn [NGUYEENX NGOCJ ZOANX], *Colonel

Deputy Director of the 108th Military Hospital; recently he was awarded the title of labor hero in a Council of State decision dated 29 August 1985. (NHAN DAN 2 Oct 85 pp 1, 2)

Nguyễn Huy Duyên [NGUYEENX HUY ZUYEEN]

Deputy secretary of the CPV Committee, Ha Bac Province; on 29 August 1985 he attended an awards ceremony to mark the 40th anniversary of the August Revolution in Bac Giang City. (QUAN DOI NHAN DAN 30 Aug 85 pp 1, 4]

Ba Đen [BA DEN] see Hà Lân [HAF LAAN]

Đào Vong Đức [DAOF VONGJ DUWCS]

Editor-in-chief of the physics journal TAP CHI VAT LY; his name appeared on the inside front cover of the journal. (TAP CHI VAT LY Vol X, No 1, inside front cover)

Nguyễn Văn Đức [NGUYEENX VAWN DUWCS]

Member of the CPV Central Committee; secretary of the CPV Ha Tuyen Province Committee; on 30 August 1985 he attended an awards ceremony marking the 40th anniversary of the August Revolution, in Ha Tuyen Province. (QUAN DOI NHAN DAN 31 Aug 85 p 4)

Hoàng Đượm [HOANGF DUWOWMJ]

Chairman of the Fatherland Front, Nghe Tinh Province; on 20 August 1985 he attended an awards ceremony marking the 40th anniversary of the August Revolution in Nghe Tinh Province. (QUAN DOI NHAN DAN 21 Aug 85 p 1)

Trần Hạnh [TRAANF HANHJ]

Vice chairman of the People's Committee, Haiphong Municipality; on 20 August 1985 he attended the 40th anniversary of the August Revolution. (Haiphong HAI PHONG 21 Aug 85 p 1)

Đặng Vũ Hiệp [DAWNGJ VUX HIEEPJ], Lieutenant General

Member of the CPV Central Committee; deputy chief of the Political General Department; recently he visited the military film factory to commemorate its 25th anniversary. (QUAN DOI NHAN DAN 17 Aug 85 p 1)

Lưu Minh Hiệu [LUWU MINH HIEEUJ]

Vice chairman of the People's Committee, Thai Binh Province; recently he was mentioned in an article about the economy of his province. (QUAN DOI NHAN DAN 10 Sep 85 p 3)

Lê Quang Hòa [LEE QUANG HOAF], Lieutenant General

Vice minister of National Defense; on 20 August 1985 he attended an awards ceremony marking the 40th anniversary of the August Revolution in Nghe Tinh Province. (QUAN DOI NHAN DAN 21 Aug 85 p 1)

Nguyễn Hữu Hoè [NGUYEENX HUWUWX HOEF], Colonel

Representative of the 363rd Division; on 31 August 1985 he attended the 40th anniversary of the August Revolution in Haiphong. (Haiphong HAI PHONG 2 Sep 85 p 4)

Nguyễn Hoà [NGUYEENX HOAF]

Counselor to the SRV Embassy in Cambodia; on 2 September 1985 he attended an awards ceremony by the PRK's Government for the SRV voluntary forces and specialists, in Phnom Penh. (QUAN DOI NHAN DAN 6 Sep 85 p 1)

Phan Hoan [PHAN HOAN], Major General

Deputy commander, 5th Military Region; recently he attended a military history conference in Quang Nam-Da Nang. (QUAN DOI NHAN DAN 23 Aug 85 p 1)

Đỗ Xuân Hợp [DOOX XUAAN HOWPJ], Major General

Former president of the Military Medical University; recently he was awarded the title of labor hero in a Council of State decision dated 29 August 1985. (NHAN DAN 2 Oct 85 pp 1, 2)

Trần Đức Huy

SRV military attache to the GDR; on 23 September 1985 he welcomed a Vietnamese delegation headed by General Van Tien Dung visit and the GDR. (NHAN DAN 25 Sep 85 p 1)

Lê Khắc [LEE KHAWCS]

Member of the CPV Central Committee; Minister of Foreign Trade; on 24 August 1985 he led a delegation to the second conference of the Laos-Vietnam-Cambodia Foreign Trade Minister in Laos. (QUAN DOI NHAN DAN 26 Aug 85 p 1)

Lê Khoa [LEE KHOA], *Major General

Head of the Finance Department, Ministry of National Defense; his article on the production and thrift drive of the Armed Forces appeared in the cited source. (NHAN DAN 23 Sep 85 p 3)

Nguyễn Đình Khoa [NGUYEENX DINHF KHOA], *Lieutenant Colonel

One of the two pilots who bombed the Presidential Palace on 29 April [1975]; he was mentioned in an article commemorating that event. (QUAN DOI NHAN DAN 3 Sep 85 p 2)

Vũ Lăng [VUX LAWNG], Lieutenant General

Director of the Ground Forces Academy; he gave a speech when his institution was awarded the Ho Chi Minh Medal on 29 September 1985. (NHAN DAN 24 Sep 85 p 1)

Trần Lâm [TRAANF LAAM]

Member of the CPV Central Committee and member of the Presidium of the Vietnam Committee for Solidarity and Friendship with People of Other Nations; on 11 September 1985 he welcomed a delegation of the Communist Party of Denmark. (QUAN DOI NHAN DAN 12 Sep 85 p 1)

Hà Lân [HAF LAAN] aka Ba Den [BA DEN]

Former member of the Security Committee, 5th Region; principle of the Public Security School #5, Ministry of Interior; recently he was awarded the title of labor hero in a Council of State decision dated 29 August 1985. (NHAN DAN 2 Oct 85 pp 1, 2)

Mai Thúc Lân [MAI THUCS LAAN]

Chairman of the People's Committee, Ha Bac Province; on 29 August 1985 he attended an awards ceremony marking the 40th anniversary of the August Revolution in his province. (QUAN DOI NHAN DAN 30 Aug 85 pp 1, 4)

Nguyễn Văn Lộc [NGUYEENX VAWN LOOCJ], *Colonel

Recently he headed a delegation to a shooting contest in Czechoslovakia. (QUAN DOI NHAN DAN 1 Sep 85 p 3)

Phạm Lợi [PHAMJ LOOIJ]

Standing member of the Municipal CPV Committee, Hanoi; secretary of the Trade Union Federation, Hanoi; on 19 August 1985 he attended a meeting about workers' movements. (QUAN DOI NHAN DAN 20 Aug 85 p 4)

Hoàng Lương [HOANGF LUWOWNG]

SRV ambassador to Cuba; on 6 September 1985 he presented a Ho Chi Minh medal to Cuban General Raul Castro. (QUAN DOI NHAN DAN 9 Sep 85 p 1)

Tư Mau [TUW MAU] see Phan Văn Nhờ [PHAN VAWN NHOWF]

Trần Hoài Nam [TRAANF HOAIF NAM]

SRV ambassador to the GDR; on 23 September 1985 he welcomed a Vietnamese delegation headed by General Van Tien Dung visiting the GDR. (NHAN DAN 25 Sep 85 p 1)

Nguyễn Trọng Nhân [NGUYEENX TRONGJ NHAAN]

Director of the Central Eye Institute; recently he was awarded the title of labor hero in a Council of State decision dated 29 August 1985. (NHAN DAN 2 Oct 85 pp 1, 2)

Trần Văn Nghi [TRAANF VAWN NGHI]

Standing member of the CPV Committee, Nghe Tinh Province; on 12 September 1985 he attended the 55th anniversary of Nghe Tinh (12 September 1930). (NHAN DAN 13 Sep 85 p 1)

Nguyễn Trọng Nghiệp [NGUYEENX TRONGJ NGHIEEPJ], *Colonel

Head of the Ear, Nose and Throat Faculty, Military Medical Institute; recently he headed a medical group to treat patients of the Dong Khe Group. (QUAN DOI NHAN DAN 15 Sep 85 pp 1, 4)

Đoàn Mai Ngữ [DOANF MAI NGUUX], Colonel

His article about the Sao Vang Group appeared in the cited source. (QUAN DOI NHAN DAN 30 Aug 85 p 2)

Phan Văn Nhờ [PHAN VAWN NHOWF]

Former senior colonel, commander of the 962nd Gp, 9th Military Region; recently he was awarded the title of labor hero in a Council of State decision dated 29 August 1985. (NHAN DAN 2 Oct 85 pp 1, 2)

Lê Khả Phiêu [LEE KHAR PHIEEU], *Major General

His article on party building in units on foreign service in the QUAN DOI NHAN DAN magazine was announced in the cited source. (QUAN DOI NHAN DAN 11 Sep 85 p 2)

Trần Đức Phong [TRAANF DUWCS PHONG], Colonel

Secretary of the CPV Committee and Director of K.53 Enterprise; he was mentioned in an article about his organization. (QUAN DOI NHAN DAN 27 Aug 85 p 2)

Bùi Phùng [BUIF PHUNGF], Lieutenant General

Member of the CPV Central Committee; vice minister of National Defense; on 30 August 1985 he attended an awards ceremony marking the 40th anniversary of the August Revolution in Ha Son Binh Province. (QUAN DOI NHAN DAN 31 Aug 85 pp 1, 4)

Nguyễn Văn Quang [NGUYEENX VAWN QUANG]

*Minister counselor of the SRV in the USSR; on 13 September 1985 he attended a ceremony at the Kremlin where Prof Nguyen Khanh Toan, former chairman of the State Social Science Commission, received a Soviet Friendship Medal. (NHAN DAN 15 Sep 85 p 4)

Nguyễn Sĩ Quốc [NGUYEENX SIX QUOOCS], Major General

His article on the military medicine appeared in the cited source. (QUAN DOI NHAN DAN 1 Sep 85 p 2)

Thích Thiện Siêu [THICHS THIEENJ SIEEU], Venerable

*Vice chairman of the Central Management Board, Vietnam Buddhist Church; from 21 August 1985 to 9 September 1985 he headed a delegation to visit the Asian Buddhist Peace Conference Center, the Mongolian Buddhist Central Committee and the Soviet Buddhist Central Committee. (QUAN DOI NHAN DAN 13 Sep 85 p 4)

Lương Soạn [LUWOWNG SOANJ], Major General

Acting chief of the Ho Chi Minh Mausoleum Management Board; on 9 September 1985 he spoke at a meeting marking the 10th anniversary of the Mausoleum. (QUAN DOI NHAN DAN 10 Sep 85 p 1)

Nguyễn Đình Sở [NGUYEENS DINHF SOWR]

Secretary of the CPV Committee, Ha Son Binh Province; on 30 August 1985 he spoke at an awards ceremony marking the 40th anniversary of the August Revolution in his province. (QUAN DOI NHAN DAN 31 Aug 85 p 1)

Nguyễn Văn Sở [NGUYEENX VAWN SOWR], Major General

Deputy commander of the 3rd Military Region; on 19 August 1985 he attended a meeting in Haiphong to commemorate the 40th anniversary of the People's Public Security Forces. (Haiphong HAI PHONG 20 Aug 85 p 1)

Lê Trọng Sung [LEE TRONGJ SUNG], Colonel, deceased

Born in 1923 at Duc Trung Village, Duc Tho District, Nghe Tinh Province; member of the CPV; retired from military service; he died following an illness on 19 August 1985 at the 108th Military Hospital. Condolences were received from the Signal Command. (QUAN DOI NHAN DAN 22 Aug 85 p 4)

Bùi Đức Tạm [BUIF DUWCS TAMJ], *Major General

Deputy chief of the Technical General Department; on 14 September 1985 he attended a ceremony marking the 40th anniversary of the Ordnance Branch. (QUAN DOI NHAN DAN 15 Sep 85 pp 1, 4)

Bùi Đức Tâm [BUIF DUWCS TAMJ], Major General

Deputy chief of the Technical General Department; on 14 September 1985 attended the 40th anniversary of the Ordnance Branch at the Vietnam-Soviet Hall of Culture. (NHAN DAN 15 Sep 85 p 4)

Đinh Văn Tâm [DINH VAWN TAAM]

SRV trade representative in the USSR; on 5 September 1985 he attended an exhibition of Vietnamese export goods in Moscow. (QUAN DOI NHAN DAN 7 Sep 85 p 4)

Nguyễn Phước Tân [NGUYEENX PHUWOWCS TAAN]

Deputy chief of the Counter-Reactionary Department, Public Security General Department; recently he was awarded the title of labor hero in a Council of State decision dated 29 August 1985. (NHAN DAN 2 Oct 85 pp 1, 2)

Hoàng Ngọc Thái [HOANGF NGOCJ THAIS], Major General

Representing the Navy Command; on 31 August 1985 he attended the 40th anniversary of the August Revolution in Haiphong. (Hai Phong HAI PHONG 2 Sep 85 p 4)

Hoàng Văn Thái [HOANGF VAWN THAIS]

Member of the VCP Central Committee; vice minister of National Defense; member of the Standing Committee of the Central Military Party Committee of the CPV; on 14 September 1985 he attended the 40th anniversary of the ordnance branch. (NHAN DAN 15 Sep 85 p 4)

Nguyễn Duy Thái [NGUYEENX ZUY THAIS]

*Deputy chief of the Technical General Department; his article on "The Self-Reliant Will-Power of Vietnam's Ordnance Branch." (QUAN DOI NHAN DAN 13 Sep 85 p 2)

Vũ Đức Thái [VUX DUWCS THAIS], *Major General

Deputy commander, 1st Military Region; on 21 August 1985 he attended an awards ceremony in Lang Son Province marking the anniversary of the August Revolution. (QUAN DOI NHAN DAN 22 Aug 85 p 4)

Đào Đình Thản [DAOF DINHF THANR], Colonel

Deputy commander of the Haiphong Municipality Military Command; on 31 August 1985 he attended the 40th anniversary of the August Revolution in Haiphong. (Haiphong HAI PHONG 2 Sep 85 p 4)

Lê Thanh [LEE THANH], Major General

SRV military attache to the USSR; recently he attended the departure of General Van Tien Dung from Russia. (QUAN DOI NHAN DAN 12 Sep 85 pp 1, 4)

Đặng Trung Thành [DAWNGJ TRUNG THANHF], Lieutenant Colonel

Commander, 31st Special Operation Battalion, 4th Military Region; recently he was awarded the title of labor hero in a Council of State decision dated 29 August 1985. (NHAN DAN 2 Oct 85 pp 1, 2)

Nguyễn Ngọc Thảo [NGUYEENX NGOCJ THAOR], *Colonel

His article on military medicine appeared in the cited source. (QUAN DOI NHAN DAN 1 Sep 85 p 2)

Lê Thi [LEE THI]

Acting director of the Institute of Philosophy; editor-in-chief of the philosophy journal TAP CHI TRIET HOC; her article on the directior of philosophy study in 1985 and in the coming years appeared in the cited source. (TAP CHI TRIET HOC No. 2 (49), Jun 85 pp 114-122)

Hà Kiến Thiết [HAF KIEENS THIEETS], Colonel

His article about the Signal and Communication Forces appeared in the cited source. (QUAN DOI NHAN DAN 9 Sep 85 p 2)

Lê Đức Thịnh [LEE DUWCS THINHJ]

Minister of Home Trade; on 29 August 1985 he welcomed Le Duan at an economics and technology exhibition at Giang Vo Center. (QUAN DOI NHAN DAN 31 Aug 85 p 4)

Nguyễn Hữu Thọ [NGUYEENX HUWUX THOJ]

Vice chairman of the Council of State; chairman of the National Assembly; chairman of the Youth, Teenagers and Children Committee [of the National Assembly]; recently he attended the opening ceremony of the Khanh Dinh Youth Pool in Ba Dinh District, Hanoi. (QUAN DOI NHAN DAN 21 Aug 85 p 1)

Nguyễn Quốc Thước [NGUYEENX QUOOCS THUWOWCS], Major General

Deputy commander, 4th Military Region; on 20 August 1985 he attended an awards ceremony marking the 40th anniversary of the August Revolution in Nghe Tinh Province. (QUAN DOI NHAN DAN 21 Aug 85 p 1)

Nguyễn Thành Trung [NGUYEENX THANHF TRUNG], *Lieutenant Colonel

One of the two pilots who bombed the Presidential Palace on 29 April [1975]; he was mentioned in an article commemorating that event. (QUAN DOI NHAN DAN 3 Sep 85 p 2)

Lê Đức Tiết [LEE DUWCS TIEETS], Colonel

His article "President Ho Chi Minh and the structuring of Vietnam's Revolutionary" in QUAN DOI NHAN DAN magazine of September 1985 was announced in the cited source. (QUAN DOI NHAN DAN 11 Sep 85 p 2)

Võ Quang Trinh [VOX QUANG TRINH]

Deputy chief of the Propaganda and Training Department, CPV Central Committee; on 8 September 1985 he headed a delegation to the PRK. (QUAN DOI NHAN DAN 11 Sep 85 p 4)

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14 January 1986

Southeast Asia Report

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BURMA

BURMA ARMY, KAREN ORDER OF BATTLE; THAI INTEREST NOTED

Bangkok LAK THAI in Thai 21 Nov 85 pp 18, 19

[Unattributed report: "Lt Col Ariwer, a Free Karen Leader With a Price of 2 Million on His Head"]

[Excerpts] Last week, there was a reshuffle in the Burmese army. Lt Gen So Mong, the deputy army chief of staff, was made the army chief of staff. This is the top spot in the Burmese army because the Burmese army does not have a commander in chief. "Chief of staff" is the top position. Gen Kyaw Htin, the chief of staff, will probably continue to serve as deputy prime minister and minister of defense, which are political positions. His military responsibilities will be turned over to Lt Gen So Mong. Brigadier Gen Tan Chawe, the commanding general of the southern region, has been appointed deputy army chief of staff in place of Lt Gen So Mong. Col Tin Kwe has been promoted to general and made the commanding general of the southern region. There have also been important changes in the air force. Group Cpt Tin Tun has been made the deputy air force chief of staff. In the navy, Cpt Mong Mong Kin has been made the deputy navy chief of staff. Just like the army, the Burmese air force and navy do not have a commander in chief. Chief of staff is the top position.

The first group that must be dealt with is the Free Karens, who want to establish their own country under the leadership of Gen Bo Mya. They have established a central government in the north opposite Mae Ramat District in Tak Province. The administration of the Karen zone, which they consider to be a separate country, has been divided into 14 provinces with a population of 6 million people. The fighting between the Burmese government forces and the Karens has entered its 3d year. The Karens are trying to confine the fighting to a small area in order to maintain control over a wide area as in the past. The Karens have begun using unconventional warfare, that is guerrilla warfare, relying on their greater familiarity with the area. They regularly cut the logistics routes of the Burmese government forces from Rangoon, Moulmein, Tavoy and Mergui.

Among the Karen warlords fighting the Burmese government forces, besides Gen Bo Mya, the supreme commander and president, other Karen warlords fighting the Burmese government forces whom the Burmese regard as important officers are Col To La, the commander of the northern zone, Lt Col Ariwer, the commander of the 10th Battalion, and Lt Col Sao Tan Mong, the deputy commander of the 101st Special Forces Battalion, an independent battalion that is considered to be a very capable unit.

Last week, LAK THAI followed the news on the fighting between the Burmese government forces and the Free Karens opposite Kanchanaburi Province. Approximately 2 battalions of Burmese troops launched an attack at Phra Chedi Sam Ong about 5 months ago. There has been fighting between the Burmese government troops, the Karens and the Free Mons in that area. The fighting stopped only during the time of heavy rains, when it became difficult for the two sides to move their forces. When the rains stop, the fighting will start again. It is thought that the fighting in the south will be just as fierce as in the north. Brigadier Gen Tan Chawe, the former commander of the southern region who has just been appointed deputy army chief of staff, will probably want to show his skill in suppressing the enemy in the south, his old area of responsibility. And the new area commander will probably want to show his "skills," too.

"We have to keep an eye on the fighting in the west because this will definitely affect Thailand in the long term. Any change in Burma will have an effect on Thailand. We must keep an eye on things there. We can't be concerned just with the Vietnamese, Cambodians and Lao in the east. We should be more concerned about the situation there because the Communist Party of Thailand is moving into this area and beginning to carry on activities in this area instead of in the northeast and north," said a senior military officer about the situation here. "Our long-term strategy on this front is very important. It can be said to be the most important strategy because there are several things that must be done correctly. We can't afford to make a mistake. Phi Chiu (Gen Chawalit Yongchaiyut, the army chief of staff) is very interested. From the standpoint of military strategy, this is very important."

On our trip to the "west," LAK THAI was fortunate enough to meet with an important officer of the Free Karens who is known thoughout the Karen area as a fierce fighter. The Burmese government has set a very high "price" on his head, almost 2 million baht. We are referring to Lt Col Ariwer, the commander of the 10th Battalion, whose are of responsibility is the Tavoy-Mergui area, an area that the Karens consider to be theirs and not the Burmans or Mons.

In the Tavoy-Mergui area, where the Karens have established a province within the Burmese province and which overlaps the Free Mon area, too, the "provincial governor," who is the top commander and who is the respresentative of the central government, is Col Mawoen. The deputy provincial governor is Lt Col Tin Le. The commander responsible for strategy and general security is Lt Col Ariwer.

LAK THAI talked with Lt Col Ariwer, the commander of the 10th Battalion, and Lt Col Tin Le, the deputy provincial governor. Col Mawoen was sick and so we did not have a chance to talk with him.

The commander of Karen forces in the south said that no foreign mercenaries are fighting for the Karens. Only Karens are fighting. He said that he does not know anything about the reports that mercenaries were fighting for the

Karens. His forces once moved north to help the Karen forces opposite Mae Sot and he never saw any foreign soldiers.

The Free Karens do not have any units larger than "battalion." Each battalion is an independent unit that is responsible for its area. Unlike most orders of battle, there are no regiments or divisions. This gives the battalions greater flexibility. When an operations problem arises, they solve the problem themselves. If the problem is beyond their capabilities, they coordinate matters with the provincial governor and contact their government and the top leader, that is, Gen Bo Mya.

Lt Col Ariwer does not think that the the constant Burmese operations aimed at preventing the Karens from establishing a strong fixed position represent a new strategy. This is also a matter of morale. Weapons alone cannot beat the Karens. The Karens have been fighting for more than 30 years. They know how to fight.

He admitted that the army has experienced shortages because of the permanent presence of the Burmese forces. Their presence has made it difficult to earn a living and engage in trade. But the Karens have not lost heart. They already face great adversity and do not worry about things becoming worse.

He said that the "Karen troops are very disciplined. We will not cause trouble for our Thai neighbors. We know that Thailand is in a very difficult position because the Burmese government is the legitimate government of the country." But he said that the "Karens are not bandits." The Karens respect Thailand. The land that they work is land that belongs to the Karens.

Lt Col Ariwer, a person whom the Burmese government feels is so important that it has set a price on his head, said that "we do not fear a fight. What we fear is not having a country."

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CSO: 4207/86

DHARSONO TRIAL ADJOURNS AFTER DEFENDANT'S SPEECH

HK101114 Hong Kong AFP in English 1035 GMT 10 Dec 85

[Text] Jakarta, Dec 10 (AFP)--Efforts by the judge in the subversion trial of ex-General Hartono Rekso Dharsono to calm an impassioned speech by the defendant criticising the government led to a shouting match and adjournment of the hearing here today.

Mr Dharsono, 60, a former general secretary of the Association of Southeast Asian Nations, stated that he was innocent of the charges against him and launched into an emotional defence of a white paper he had signed.

The judge tried to get Mr Dharsono to tone down his speech, which drew loud applause and repeated cries of support from a crowd of some 300 outside the court, but the defendant, apparently thinking the judge was trying to stop him, refused to be silenced.

The judge ordered the defendant from the courtroom and temporarily suspended the hearing. It resumed from 45 minutes later, only to be adjourned after the judge accepted the defendant's apology, made through his defence lawyers.

Mr Dharsono faces six charges of subversion, including taking part in the writing of a white paper that the prosecution has alleged "was intended to undermine the authority of the lawful government."

He could face the death sentence if convicted.

The defendant spoke in defence of a paragraph in the white paper that says that government practices deviated from the national constitution and the state ideology. The prosecution has charged that the paragraph is subversive.

The trial, now in its fifth month, is to resume on Thursday.

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CSO: 4200/394

INDONESIA

BRIEFS

TRANSMIGRATION PROGRAM INTEGRATION--The government's transmigration program which was initially aimed at population distribution has now been integrated into overall, increasing national development activities, according to an official. Minister of Transmigration Martono said that population transfer from Java to the other islands before the start of the five-year development plans (Pelita) in 1969 involved 99,196 migrant family heads. During the subsequent Pelitas the following figures have been recorded: Pelita I 46,268 KK, Pelita II 82,959 KK, Pelita III 527,876 KK, and Repelita IV up to November 27, 1985, 348,669. The target at the close of Repelita IV (1984-1989) is 750,000 family heads. Mr. Martono was speaking on television (TVRI) Monday night in view of the forthcoming commemoration of Transmigration Service Day, on December 12. According to the minister, the government's transmigration policy, started in 1950, was originally to effect population distribution throughout the country, however, at present this policy is already linked with multiplying efforts in national development. [Text] [Jakarta THE JAKARTA POST in English 4 Dec 85 p 2 BK] /6562

CAR EXPORTS TO PRC--Jakarta, Dec. 10 KYODO--Indonesia's automaker Pt. Udatimex said Tuesday it will begin exporting cars to China in January. The first shipment will be 100 units of the "Holden Raider" series. The car is equipped with diesel engines developed by Japan's Isuzu Motor Co., Udatimex said. Indonesia has never exported automobiles abroad before, officials said. [Text] [Tokyo KYODO in English 1035 GMT 10 Dec 85 OW] /6662

CSO: 4200/394

MINISTER ON BRITISH WITHDRAWAL FROM UNESCO

BK200914 Vientiane Domestic Service in Lao 0530 GMT 18 Dec 85

["Views" by Bountiam Phitsamai, education minister and chairman of Lao national commission for UNESCO, on British withdrawal from UNESCO--read by announcer, date not given]

[Text] As we know, the U.S. Government was the first to attack the UNESCO organization. The attack began in 1982 when it was not satisfied with the organization's approval of the second long-term 6-year plan, the specific aim of which is to deal with a certain major world issue in the present--the issue of the struggle for arms reduction and the maintenance and promotion of peace in the world. The United States has not considered this a duty of the organization. However, the majority have regarded it as the organization's responsibility since its constitution stipulates that it has the duty of bringing peace to mankind and preventing a recurrence of a world war because such a war is a source of disasters and can cause enormous destruction to human cultural, scientific, and educational achievements. Work in these fields will be of no significance if peace is ignored. All achievements scored by the world's educated persons, researchers, and inventors with the support and assistance of UNESCO will be destroyed in only 1 hour if a nuclear war breaks out. In view of this issue, the United States unreasonably criticized UNESCO by saying that this organization was playing politics, an activity not regarded as one the organization should engage in. That was an unreasonable charge.

Checkmated by the reason of the majority, the United States then sought different means to threaten the organization. For example, it created news criticizing the management and disbursement system of the organization and attacking persons working for the organization to defame Mr Amadou Mahtar M'Bow, director general of the organization. Nevertheless, the United States failed to make the majority vote to agree to its propaganda. On the contrary, various socialist countries, developing countries, and peace-loving countries united in strongly opposing the attitude of the United States. As a result, the United States was shamefully isolated. That was why it announced its withdrawal from UNESCO in late 1983. But, according to the principles of UNESCO as well as of other UN organizations, the withdrawal from the organization became effective 1 year after an official withdrawal statement had been made.

During the 1-year period, the organization's executive committee sought every possible means to hold talks with the U.S. side to ask it to reconsider its intention to withdraw. But, the Reagan administration refused to change its mind and its withdrawal, therefore, became effective 1 January 1985. Since then, the Reagan administration has been denounced ever more strongly by many countries. As a result, it has been unprecedentedly isolated. The U.S. Government has also been criticized by the American people and hundreds of mass organizations in the United States itself. In particular, American scientists, sociologists, and artists have been extremely dissatisfied with the government's attitude.

To save face, the Reagan administration has asked to be an observator member of the organization. We believe that by making such a request, the Reagan administration intends to create disturbances and undermine the unity of the organization. It has maintained no good intentions. Its purpose is to persuade other countries to withdraw from the organization. But, to show the consistent good faith, good intentions, and good attitude of the organization, the organization's Executive Committee agreed to authorize the 23d congress in Sofia, Bulgaria, in October and November 1985 to discuss means to accept the United States as a member in any possible category of the organization. The congress, however, decided that the United States can absolutely not be accepted as observator member because it would violate the principle that observator members must be those who have not been accepted as permanent members and who are first joining the organization's activities to learn about the significance of the organization before applying for permanent membership. The U.S. case is the opposite because, in addition to having been a permanent member, it was even 1 of the 20 founding member countries. It has voluntarily withdrawn from the organization. The United States did not officially attend the 23d congress. It was merely allowed to send its observer to sit in a back row with no right to express any views in the congress. In the almost 2 months of the congress, it was the British delegation that openly defended U.S. interests.

Britain, striving to carry out activities to serve the United States, tried to threaten the organization with very subtle schemes. It tried to persuade and motivate its Commonwealth countries to follow it in voting. Nevertheless, 98 percent of the member countries of the organizations did not agree to accept the United States as an observator member. The congress then authorized the organization's Executive Committee to discuss in detail any possible way to accept U.S. cooperation under some category. The Executive Committee later came out with the idea that the United States may be accepted as a cooperating committee in certain projects or certain activities. In this case, the United States must give monetary assistance to the projects or activities it wants to join. However, the U.S. Government is not pleased with this idea.

Therefore, it is no surprise that the British Government withdrew from the organization in late 1985. This is because the United States incited the British Government to do so. Actually, Reagan wanted the British Government, with Margaret Thatcher as prime minister, to withdraw from this organization in early 1985. Serving Reagan's desire, the British Government has submitted a withdrawal statement. However, the withdrawal will be effective in 1 year unless the withdrawal is canceled. This means that at the end of 1985, Britain, like the United States, will no longer be a member of UNESCO.

By withdrawing from UNESCO, the British Government has only tried to please the United States. The United States pressured Britain for 1 full year before Britain decided to withdraw. Even if Britain does not again announce its withdrawal, everyone knows that Britain's membership will end 1 January 1986. The United States, however, wants Britain to repeat its withdrawal announcement. The U.S. purpose is to serve its propaganda to make the public misunderstand the organization.

Nevertheless, there is nothing unusual in the withdrawal of the British Government from UNESCO. Britain's withdrawal cannot undermine the unity in this organization. Our member countries have always called for the maintenance of international unity in the interest of world peace. The stand of our Lao national commission is to support UNESCO and Mr Amadou M'Bow, director general of the organization. At the same time, we will do our best to contribute to the organization's activities so as to achieve an ever better success.

/12712
CSO: 4206/38

KAYSONE PHOMVIHAN SPEECH AT YOUTH MEETING

BK171440 Vientiane Domestic Service in Lao 0530 GMT 11 Dec 85

[Speech by Kaysone Phomvihan, general secretary of LPRP Central Committee and chairman of LPDR Council of Ministers, at sixth plenary session of first Central Committee of Lao People's Revolutionary Youth Union in Vientiane on 9 December--read by announcer]

[Text] I am happy to meet comrade leaders of the Lao People's Revolutionary Youth Union. On behalf of the party Central Committee, I take this opportunity to express solidarity and warm love to comrades and, through you, to members of the youth union and the entire Lao youths. Briefly speaking on some outstanding aspects of the youth movements following the first congress of the youths, the youth movements have undergone many changes and made much progress reflected in various ways by the following:

1. The youth organization has been systematically consolidated from the central down to the grassroots levels; newly established provinces have promptly set up youth unions; many localities and branches have held conferences at their respective levels, thus ensuring the right direction for mobilizing and guiding the youths' movements.

2. The youths have taken part in enthusiastic and vigorous movements in carrying out the national defense and public security work in many localities. Many provinces have overfulfilled plans in encouraging the youths to volunteer to serve the military. They have better served combat, fighting well. The most outstanding point is that the youths have volunteered to counterattack the Thai reactionaries nibbling at Lao territory at three villages in Sayaboury Province, that they have participated in operations to suppress bandit groups in Xieng Khouang, Houa Phan, and Bokeo Provinces, and that they have positively taken part in maintaining public order and peace in the country. In particular, they have contributed to ensuring tranquility and safety for the recent national grand festival in Vientiane. For this they have been praised by foreign guests.

All this shows that our youths' level of vigilance and love for the country and the new system is high, that they have had a clearer attitude on distinguishing enemies from friends, and that the level of their perception of their obligations toward the country is higher.

3. In the sphere of national construction, the youths are serving as a vanguard force in many movements. In the agricultural sphere, new techniques have been applied to cultivation and animal husbandry. The outstanding thing is the movement to produce fertilizer for intensive farming, increase cultivation seasons, raise the efficiency of rice farming from 3 to 5 metric tons per hectare, and participate in building many irrigation projects. The youths also serve as the key in the movement of improving and building agricultural cooperatives and in testing and using new crop and animal strains.

In the industrial and handicraft spheres, the youths in the workers' ranks have promoted and developed their creation, modified technique, and raised the quality and efficiency of work. Particularly, in repairing machines, they no longer rely on foreign experts in some enterprises, such as the Nam Ngum dam. They have utilized iron scraps for producing equipment and tools, thus saving millions of kip for the state.

The youths in many localities have participated in handicraft cooperatives and promoted the production of artistic and handicraft items representing the country's tradition. They have also promoted the rich handicraft skills of the people of various nationalities.

Regarding the construction of basic establishments, the youths have served as the main force in repairing and building roads. In some areas they have been awarded contracts to build roads and have taken part in building many enterprises, the most outstanding of which were the projects constructed for the purpose of welcoming the country's two great historical days and the conferences of party committees of various localities.

4. In the educational, cultural, and social spheres, the youths have served as the main force in the movement to stamp out illiteracy and supplement education. Siangkho District in Houa Phan Province received a UNESCO award in this regard thanks to its success in general supplementary education. The youths have paid attention to launching emulation campaigns to create artistic and literary items, seriously taken part in the 3-clean sanitation movement, and positively served as models in building a new way of civilized and pure life, thus contributing to doing away with rotten culture, extravagance, and superstition.

Considerable efforts have been made to issue youth newspapers and journals to publicize the line and policies of the party and state and scientific and technical knowledge and to indicate direction for youths' activities.

5. More positive attention has been paid to the youth work. Many new, appropriate forms of education and training have been established. For example, questions have been made up for the youths to answer in order to arouse their curiosity about the party, the country, and the new system.

6. In terms of international activities, the youths have made important contributions to heightening the influence and role of our party, state, and people in the international arena; they have also taken part in the struggles of the world's youths and students for peace, friendship, and international

cooperation and against the arms race and the imperialists' warmongering policy. The most outstanding of all is their positive contribution to the success of the 12th world youth and student festival.

In short, our youth movements have grown and strengthened and have recorded many great and outstanding achievements. This further shows that under the leadership of the LPRP our Lao youths have the spirit of revolutionary enthusiasm and are capable of creating a great cause, thus deserving the trust of the party and all the people. For example, the youths of Nong Het District once helped to extinguish a fire at a coal mine with the use of limited equipment and in a spirit of creative, heroic offensive. The youths also took the initiative in preparing for and in taking part in the parade marking the 10th anniversary of the National Day.

On this occasion, on behalf of the party Central Committee and the government, I wholeheartedly hail the achievements, progress, and growth of our youth union and the Lao youths. Nevertheless, our youth movements still face some problems that must be resolved. These problems are:

A. The youth movements are, generally speaking, not yet consistent, extensive, thorough, and continuous. For example, sufficient attention has not yet been paid to youth movements in rural, remote, and tribal areas; and the organizational work is still only slowly developing. Today there remain many blank areas--30 percent of the villages throughout the country have not yet organized youth unions. In addition, more than one-third of the youths attached to youth organizations in some ministries and 15 percent of the members of the Lao People's Revolutionary Youth Union have not yet paid sufficient attention to the youth work. Appropriate organizational forms have not been established to rally and train the youths currently staying outside the youth organization.

B. The propaganda and training work of the youth ranks has not been carried out in width and depth, and constantly. The propaganda and training is not yet rich and multifarious. The training and building of cadres by the youth union are not linked with the revolutionary behavior in our country and the overall political task. The leading committees of the youths at various levels have not yet strictly implemented the principle of coordinating the system of chiefs with the group leadership. This is why they are unable to bring into full play the overall strength of their colleagues. Moreover, the characteristics of the struggle to live collectively have not been fully heightened.

C. The youth committees at various levels have not yet striven to obtain guidance from party committees and the assistance and cooperation of the administrative committees and branches of work concerned.

The youths' strategic role and tasks toward our revolutionary cause are:

1. To effectively carry out the youth work, we must first firmly grasp the special characteristics of the youths, reflected by the following two main aspects:

A. Their special [word indistinct] and psychological aspects: The youthful age is a period in which one grows rapidly and strongly with regard to one's physical strength, brain, and nervous system. For this reason, young people are enthusiastic, vigorous, and industrious and are active in sports, literary, and tourist activities. They do not like to sit quietly in one place. They are capable of quickly learning new information in great volume--scientific and technical. They like new things and new changes--both progressive and negative changes. They are curious and creative; they want to know about all objective phenomena; their imaginations run wild; they love and cherish heroic deeds and respect the people they regard as models. They need love and fraternity, they like to make friends with other youths, they enjoy active and collective activities, and they cherish equality and justice.

B. Their special social, class, and national characteristics.

Social relations strongly affect the youths' standpoint and ways of thinking. What kind of patriotism? Patriotism in socialist or capitalist ways? To follow collectivism or privatism? To sacrifice their strength and intelligence for the nation or to follow a selfish way of life or to seek happiness by exploiting other people? To regard labor as constructive and honorable or as punishment and despicable thing? Technical and specialized knowledge for gaining (?political power) or for serving the political tasks and the working people? To unite and maintain equality among the various tribes or nationalities or to discriminate against tribes and races.

The special characteristics constitute an outlook on life and on the world, which youth committees must attentively study and make it consistent with the principles and attitude of the working class.

2. Youths' Strategic Role

A. The youths have assumed a historical role--that is, they are the masters of the country's future and will be the successful builders of socialism and communism. The process of the revolutionary struggle in our country shows that the youths of the old generations were heroic, resolute, and persistent, agreed to sacrifice everything, and surmounted countless hardships prior to winning victories as seen today. After overthrowing the old, exploitative system and laying the foundation for the building of the new system, the youths of the offensive generation and of the next generations must safeguard the gains of the revolution and triumphantly build the new system. This shows that the youths must be an effective arm of the party, a reinforcement and reserved strength of the party, and a faithful continuator of the party's revolutionary cause.

B. That is why the youths have become the target of a protracted, uncompromising, and complicated struggle between the workers and capitalists and between the revolutionary forces and the reactionary forces. Because of such an advantage, if one is able to attract and control the youths, this means that one is able to control a great strength for realizing one's own objectives. Hitler controlled the Nazi youths to carry out his scheme of aggression; and Mao Zedong controlled the Red Guards youths to oppose the revolution.

(Staless) noted: To oppose communism, we must control the third generation of people in socialist countries. At present, the imperialists and the big-nation expansionists and hegemonists have paid close attention to instigating youths to oppose the revolution. They have employed numerous methods in doing this.

The following are the basic methods they have frequently used: waging psychological warfare through radio broadcasts, books, newspapers, movies, television, and other propaganda media. The United States spends an estimated 7 billion dollars a year to wage propaganda campaigns against socialism. They have set up radio stations and published newspapers in more than 60 languages to popularize their decadent lifestyle and culture, including extravagant spending, superstitious beliefs, and wrong philosophy regarding democratic rights and freedom, aimed at creating antagonistic feelings between the masses and parties and between younger and older generations. In addition to propaganda campaigns and cultural deception, they have also used material goods to lure the youths.

In short, youths have a very significant strategic role to play. Therefore, special attention must be paid to stepping up youth work.

In terms of overall tasks in the youths to come and youth work, in the immediate future, our entire party, army, and people must continue to fulfill the two strategic tasks: to defend the country and to build socialism; strengthen the unity among the masses and tribes; heighten vigilance; strive to defend the country; strengthen the system of proletariat dictatorship from the grassroots level; safeguard and enhance the revolutionary gains; endeavor to transform and build the economy and to develop culture; pay attention to improving the living conditions of the people; concentrate on promoting agricultural and forestry production; closely coordinate forestry and agricultural work with industrial work; vigorously promote local economy; firmly resolve food problems; develop the economy to produce goods and to make more products for domestic consumption and for export; build more essential materiel foundations; develop the communications and postal network as a central point; build economic and technical groups that serve agriculture and forestry; build a number of key economy areas throughout the country and a number of model mountainous economic areas; vigorously promote the ideological and cultural revolution; effect an educational reform by linking education with the economic and social life; raise the level of quality of education; develop literary and arts movements, physical education, the 3-clean sanitation movement, and the movement to create a new life-style; pay attention to doing away with the traditions and customs that have a bad effect on production and health; step up efforts to take care of the health of the people, mothers, the children; strive to build and train cadres, workers, and new socialist Lao people, especially the faithful continuators of the party's revolutionary cause; firmly strengthen the economic relations with Vietnam and Cambodia; create a system of dividing work and cooperation with them so as to advance together; and expand the economic cooperation with the Soviet Union and the other fraternal socialist countries.

At the same time, we must broaden our economic relations with friendly countries; solicit assistance from the international organizations; resolutely wipe out the centralized mechanism of management, bureaucracy, and favoritism and pay attention to implementing a new management mechanism, dividing levels of responsibilities, and permitting the localities and grassroots level to enjoy the right to collective mastership; practice the economic calculation system; carry out socialist business enterprises; harmoniously coordinate the three types of interests; and consolidate and improve the work mechanism and pattern aimed at raising the level of quality and efficiency so as to gradually improve the economic and social situation in our country.

We must strictly practice the system of thrift in all spheres and oppose to the extravagant utilization of state and mass property.

To triumphantly fulfill these tasks, we must firmly grasp the following strategic measures: We must vigorously turn all spheres of work to the grassroots level with the direction of closely coordinating the three fields, that is the political, political and social, and national defense and public security maintenance fields. To fulfill these overall tasks, the youths must vigorously enhance the role of being the offensive force--the vanguard forces in all movements. Therefore, the youth committees must pay attention to fulfilling the following important duties:

1. They must pay attention to training and forging themselves to gain sound revolutionary qualifications and to striving to engage in education to gradually raise the level of knowledge and capabilities. They must mingle with the various mass movements, aimed at promoting the youth movement to relentlessly and firmly advance forward along the correct path and direction and at translating into reality all the duties and targets outlined in the state plan in each period. Through this method, we will be able to find a good model for further development and find outstanding and energetic people to be trained for key cores in all movements. Only by doing this will the youth movement grow up, march forward, and become stronger.

2. Attention must be paid to consolidating working regulations and procedures. Concrete plans and measures must be adopted for an implementation of all tasks. Clear-cut divisions of labor and responsibilities must be established. Attention must be paid to regularly carrying out control and encouragement work. Timely arrangements must be made to review achievements and learn lessons in implementing tasks. Simultaneously, the executive committees must continue with appropriate concerns of daily life. Self-criticism and criticism of each other must be strictly practiced in carrying out daily tasks.

3. Attention must be paid to thoroughly expanding the organizational work of youth unions in all establishments, completely doing away with all white establishments [hakthan khao], and turning the youth union into a key body to cement solidarity and carry out all youth activities. At the same time, appropriate measures must be used to motivate and persuade youths to join various organizations, including those in the cultural, art and literary, and other fields. No youths are allowed to avoid the organizations.

4. Attention must be paid to building young cadres. In carrying out this task, concrete plans must be adopted in close coordination with the party's guidelines and according to practical conditions in the country in each period. Simultaneously, attention must be paid to combining this task with those of the educational and other branches concerned. The tasks of

educating and training youths and children must be promoted and expanded in all respects. The gifts of youths and children must be promoted to make their generation loyal to our revolutionary cause.

5. Special importance must be attached to strengthening solidarity and maintaining unification in the ranks of the youth union executive committees at all levels, particularly at the central level, to turn the youth union into the center for maintaining solidarity and cohesion among youth union committees as well as youths in general. It is only in this way that youths can successfully fulfill their strategic role.

6. Another issue that must receive attention is the building of a new way of living for the new, socialist Lao people. Regarding this, it is necessary to establish relations between one man and another on the basis of the spirit of cherishing each other, respecting each other, assisting and being sympathetic with each other, not taking advantage of each other, not being jealous of each other, not being selfish, not being hypocritical, and not maintaining a fixed concept toward each other. Youths must be built into people who are industrious and persistent in engaging in labor; carry out tasks in an orderly manner while maintaining high standards of quality; always pay attention to raising labor productivity and working efficiency; strictly practice thrift in all respects; actively and positively study to gain knowledge to serve the nation better, eliminate the wrong line of thought that one studies to become the master of other people; behave in a tender and humble manner; always maintain revolutionary attitudes and a line of thought of always endeavoring to advance; maintain readiness to devote themselves to the overall cause as much as possible without any idea of expecting something in return; know how to establish appropriate love between young boys and girls, love in families, and love among friends; maintain a profound, patriotic spirit in combination with a pure spirit of proletarian internationalism; know how to enhance the fine traditions of the nation while accepting selected good things from various fraternal countries and other countries and making use of them at the right time and in the right place; and are not crazy about Western styles of dress and pleasure seeking.

Beloved comrades, our duties remain heavy. I believe that the Lao youths--who have maintained glorious and heroic traditions--will be able to march forward continuously to step up their 3-solidarity and 4-offensive movements thoroughly, widely, and regularly and to successfully overcome various difficulties and obstacles to score new, ever greater achievements to contribute to pushing the overall cause of our nation to firmly march forward. Let our Lao youths act as an eagle--not fearing the storm and serving as the victorious banner of our era.

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ARMED FORCES URGED TO FULFILL 2 DEC ORDER OF DAY

BK191250 Vientiane Domestic Service in Lao 0430 GMT 16 Dec 85

[Editorial: "Let our people's armed forces resolutely put into practice the order of the day issued by the national defense minister"]

[Text] On 2 December, on the occasion of the celebration of the 10th anniversary of the establishment of the LPDR, our national defense minister issued an order of the day to cadres and combatants in the LPA and various militia-guerrilla and self-defense forces throughout the country. It is a line and a policy, a glorious torch illuminating the path for our people's armed forces to fulfill all onerous but honorable and glorious tasks entrusted to them by the party and country in the new period of the revolution.

To correctly, thoroughly, and effectively implement the various tasks in the order of the day issued by the national defense minister, all leading committees, commanders of all units at all levels, and all cadres and combatants must study and profoundly understand this order and organize the successful implementation of it. First of all, they must firmly grasp their duties and, together with the people, resolutely smash all enemy's sabotage activities in order to safeguard public order. They must always maintain combat readiness to defend the country. Simultaneously with carrying out these tasks, they must positively coordinate with the forces of all branches at all levels to carry out various strategic measures of the party and state--measures of shifting to the grassroots to organize the masses to build and expand the revolutionary forces, consolidate tranquility at the grassroots in all respects, develop production, and gradually improve the people's living conditions.

Moreover, they must strive to study and train and temper themselves in order to raise their political, military, professional, and cultural levels. They must always pay attention to training themselves to obtain revolutionary qualifications, ceaselessly promote and develop the true nature and tradition of the people's army, strive to fulfill all three obligations--standing ready for combat and fighting well, positively contributing to mobilizing and organizing the masses, and doing well in increasing production.

What is worth attention is that importance must be attached to the strategic task of national defense--that is, to stepping up the regional military work, building and developing mass movements, defending the homeland, creating national defense and public security networks in localities and at the grassroots, positively participating in economic construction, closely coordinating the economic work with the national defense work, vigorously taking part in production and practice thrift, contributing to building and making the country rich and strong, and ensuring combat readiness. In addition, we must constantly grasp the following--to strengthen the special militant solidarity and alliance with the peoples and armies of fraternal Vietnam and Cambodia, to strengthen the solidarity and all-round cooperation with the Soviet Union and other countries in the socialist community, and to positively contribute to the struggle for world peace and for peace, stability, friendship, and cooperation in Southeast Asia.

Our people's armed forces are extremely proud of being entrusted with this heavy but honorable task by the party and state. We are determined to uphold our loyalty to the party, closely unite around the party Central Committee, and make use of all our capabilities to fulfill all tasks assigned by the party, government, and people.

Being the main force of the party's system of proletarian dictatorship, the entire people's armed forces are determined to march forward to victoriously accomplish all honorable and glorious tasks entrusted by the party, state, and people.

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CSO: 4206/38

VIENTIANE DISCUSSES CAUSES OF ECONOMIC PROBLEMS

BK181441 Vientiane Domestic Service in Lao 0530 GMT 17 Dec 85

[Feature: "Why Is It Necessary To Modify Economic Management?"]

[Text] Respected listeners, we all know about the implementation of the resolutions of the third party congress and other resolutions of the party Central Committee. We know that with regard to the economic situation in the transitional period in our country we have achieved new progress and certain success. Agricultural production has distinctly progressed and developed. The production of foodstuffs in 1985 alone has doubled, while industrial production has on the average increased by 10 percent each year. The production of electricity has almost tripled that in 1975. The volume of forest products and ores exported to foreign countries has increased every year.

Nevertheless, this progress is minimal when our potential and requirements are taken into consideration. The current economic situation is full of difficulties, with many shortcomings. Agricultural production has not yet developed in all respects; there is still vast destruction of forests for highland crop cultivation; many factories and plants have not yet made full use of machines and are operating at only 40 to 50 percent of their full capacity. There are many shortcomings in the circulation and distribution of work, and the efficiency, quality, and effectiveness of economic activities are still low. These conditions are caused by many subjective and objective reasons; but, all things considered, there are two fundamental causes.

1. We have not yet concretized the party's line to formulate a socioeconomic strategy that conforms with the transitional period.

2. Economic management is still being carried out bureaucratically, with an abuse of power, and with favoritism. This is reflected by the following: Enterprises have not yet organized their production appropriately and have not yet associated industry with agriculture; production remains disconnected from circulation; various economic branches have not been used correctly; importance has not yet been attached to small and medium businesses; too much attention is given to direct methods in planning; objectives are unrealistic and do not conform with the natural economic conditions; various policies have not yet been implemented correctly; salaries do not ensure production; prices are inconsistent with value; management mechanisms are still weak and have not clearly reflected the role of state management and the management of enterprises; and cadres are too few and very weak.

Management techniques that are centralized, bureaucratic, and show favoritism have hurt the economy and society, since they have not only delayed production and interrupted circulation, but have also changed quality, causing bureaucratism, arbitrariness, false reporting by lower to higher echelons in many state offices, and corrupt and greedy practices among cadres, workers, and state employees.

Therefore, to vigorously boost production, to practice thrift, and to improve the living standards of society, we must positively carry out the following two important tasks:

1. We must formulate an economic and social development strategy that conforms with the initial phase of the transitional period.

2. We must modify economic management, do away with bureaucratic, centralized, favoritism management methods, and turn to socialist economic management. All these are the reasons why we must modify the economic management work.

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CSO: 4206/38

BRIEFS

PLO REPRESENTATIVE PRESENTS CREDENTIALS--Vientiane, 20 Dec (KPL)--Souliyong Phasitthidet, deputy minister for foreign affairs, on 16 December received Sadi H. Jaber who presented his credentials as new representative A. I. of the PLO to Laos. During the cordial talk, Soulivong Phasitthidet said he hoped that the new PLO representative would do his best to broaden the relations and cooperation between the Lao PDR and the PLO. [Excerpt] [Vientiane KPL in English 0952 GMT 20 Dec 85 BK] /9738

SRV HANOI DELEGATION--Vientiane, 20 Dec (KPL)--A delegation of the Hanoi Commission for Economic and Cultural Cooperation with Vientiane and Phnom Penh arrived here yesterday for a five-day visit. The Vietnamese delegation is to discuss with the Lao officials concerned ways to further consolidate the cooperation. It will visit various production bases in Vientiane. The same day, a group of 15 artists from Hai Hung Province of Vietnam also arrived here on a one-month tour. [Text] [Vientiane KPL in English 0954 GMT 20 Dec 85 BK] /9738

HANOI'S ASSISTANCE--Vientiane, 20 Dec OANA (KPL)--Hanoi Capital, in the frame-work of a cooperation agreement between the Lao and Vietnamese capitals, on 18 December handed over to the Vientiane brickworks equipment for making floor tiles. The Hanoi technicians started to install the equipment since the beginning of last month, and when ready, the workshop can annually produce 500,000 tiles. Representing the Lao side at the hand-over ceremony was Siho Bannavong, deputy-mayor of Vientiane, and the Vietnamese side, Le Cao Dat, director of the Nam Thang brickworks. [Text] [Vientiane KPL in English 1002 GMT 20 Dec 85 BK] /9738

COOPERATION MEMORANDUM WITH SRV--Vientiane, 21 Dec (OANA-KPL)--A memorandum on socio-economic cooperation between Laos and Vietnam for 1986 was signed here yesterday. Signatories to the memorandum were Khamphet Phengmuang, first vice-chairman of the State Planning Committee of the Lao PDR, and Ho Ngoc Duong, vice-chairman of the State Planning Committee of the SRV. Dam Xuan Dung, economic and cultural representative of the Vietnamese embassy here, was present at the signing ceremony. According to this memorandum, the two sides will cooperate in the construction of industrial, forestry, transport and post projects, the production and exchange of goods, the surveying of mineral deposits, and the training of cadres. [Text] [Vientiane KPL in English 0909 GMT 21 Dec 85 BK] /9738

DELEGATION RETURNS FROM BUCHAREST--Vientiane, 25 Dec (KPL)--A delegation of the LPRP headed by Saman Vi-gnaket, secretary of the party Central Committee, returned here yesterday after attending a conference on international proties [as received] of socialist countries held on 19-20 December in Bucharest, the Romanian Socialist Republic. The delegation was met at the airport by Maichantan Sengmani, secretariat of the party Central Committee, and other high ranking officials. [Text] [Vientiane KPL in English 0907 GMT 25 Dec 85] /9738

SOUPHANOUVONG RECEIVES ALBANIAN DELEGATION--Vientiane, 26 Dec (OANA-KPL)--Souphanouvong, president of the Lao PDR and the PSA, on 25 December, received a delegation of the Ministry of Foreign Affairs of the People's Socialist Republic of Albania led by its first deputy-minister Sokrat Plaka, which is on an official visit here. During the cordial talk Sokrat Plaka, head of the Albanian delegation, thanked President Souphanouvong for the warm reception given to him. The visiting delegation also reported to the president the results of his visit here. On this occasion, they also discussed many issues with particular emphasis on strengthening of the future relations of friendship between Laos and Albania. In addition, they exchanged views on international issues of mutual interests. [Text] [Vientiane KPL in English 0857 GMT 26 Dec 85 BK] /9738

ALBANIAN DELEGATION MEET--Vientiane, 25 Dec (KPL)--Phoun Sipaseut, Politburo member of the LPRP Central Committee, vice-chairman of the Council of Ministers, minister of foreign affairs, on 24 December, met here a delegation of the Ministry of Foreign Affairs of the People's Socialist Republic of Albania led by its first deputy-minister Sokrat Plaka. During a cordial friendly meeting, Phoun Sipaseut and Sokrat Plaka discussed affairs on strengthening the relations of friendship between the two countries. Besides they also exchanged views on international issues of mutual interests. On the same day, the delegation of Lao and Albanian ministries of foreign affairs, respectively led by their first deputy ministers Khamphai Boupha and Sokrat Plaka, held talks on the development of relations between ministries of the two countries, and other issues of mutual interests. The Albanian ambassador to Laos, Syrja Laze, was also present at the meeting. [Text] [Vientiane KPL in English 0901 GMT 25 Dec 85 BK] /9738

ALBANIAN DELEGATION ARRIVES--Vientiane, 24 Dec (OANA-KPL)--A delegation of the Ministry of Foreign Affairs of the People's Socialist Republic of Albania led by its first deputy-minister Sokrat Plaka arrived here yesterday for a friendly visit at the invitation of the Ministry of Foreign Affairs of the Lao PDR. Welcoming the delegation at the airport were Khamphai Boupha, first deputy minister of foreign affairs, and other officials. [Text] [Vientiane KPL in English 0903 GMT 24 Dec 85] /9738

DELEGATION TO INDIA--Vientiane, 26 Dec (OANA-KPL)--A delegation of the party and Lao Government led by Sali Vongkhamsao, secretary of the party Central Committee, vice-chairman of the Council of Ministers, chairman of the State Planning Committee, left here yesterday afternoon to Bombay (India). The Lao delegation is to attend the 100th founding anniversary of Congress-I

Party of India. Seeing the delegation off at the airport were Gen Sisavat Keobounphan, secretary of the party Central Committee, minister of interior, and Khamphai Boupha, member of the party Central Committee, first deputy-minister for foreign affairs of the Lao PDR. Shiv Kumar and V. Sobchenko, ambassadors of India and the Soviet Union to Laos respectively, were also present at the send-off. [Text] [Vientiane KPL in English 0900 GMT 26 Dec 85 BK] /9738

INTERNATIONAL STUDENTS DELEGATION DEPARTS--Vientiane, 24 Dec (OANA-KPL)--A delegation of the International Union of Students led by its Vice-president Panna Sen Supta left here on 23 December, ending its three-day visit to the capital of the Lao PDR. During its stay here, the delegation paid a courtesy visit to Thongvin Phomvihan, member of the party Central Committee, first secretary of the LPR Youth Union. It met with Phiang Sisoulat, deputy-minister of education and exchanged views with him on youths' [as received] in education as well as in national defense and construction. The delegation also visited the Dongdok Teachers' College, the revolutionary museum, and other places of interest. [Text] [Vientiane KPL in English 0904 GMT 24 Dec 85 BK] /9738

HANOI CONSTRUCTION SERVICE DELEGATION--Vientiane, 24 Dec (KPL)--The deputy-mayor of Vientiane, Dr. Siho Bannavong, received here on Saturday a delegation of the Hanoi construction service led by its deputy head, Nguyen Van Khuyan, on a current visit to Laos. Dr. S. Bannavong welcomed the delegation on its visit saying that it would help strengthen the solidarity between the people of Vientiane and Hanoi. [Text] [Vientiane KPL in English 0906 GMT 24 Dec 85 BK] /9738

VIENTIANE-HANOI COOPERATION--Vientiane, 24 Dec (KPL)--A memorandum on economic and cultural cooperation between Vientiane and Hanoi was signed here on 23 December. Signatories to the memorandum were Sithon Sibounheuang, head of the Vientiane Commission for Economic and Cultural Cooperation with Hanoi, and Le Ha, head of the Hanoi Commission for Economic and Cultural Cooperation with Vientiane, and Phnom Penh. The Vietnamese delegation left here in the afternoon of the same day. [Text] [Vientiane KPL in English 0907 GMT 24 Dec 85 BK] /9738

TALKS HELD WITH STATE PLANNING GROUP--On the afternoon of 17 December a delegation of the LPDR State Planning Committee led by its first vice chairman Khamphet Phengmuang met with a delegation of the SRV State Planning Committee led by its vice chairman Ho Ngoc Duong in Vientiane. At this meeting both sides reviewed, assessed, and evaluated the implementation of work for mutual cooperation and assistance between Laos and Vietnam in the spheres of agriculture, industry, and forestry in the past few years. They mutually agreed to further strengthen their cooperation and assistance in the years to come, particularly their assistance in the industrial sphere in surveying the construction of hydroelectric power projects in Oudomsai, Houa Phan, Sayaboury, and Sekong Provinces as well as the construction of sugar, paper, and other factories. In the agricultural field, the mutual assistance is aimed at producing appropriate rice strains in some plain areas of Vitpowzne, Savannakhet, and Champassak Provinces; at building irrigation projects in some areas where favorable conditions prevail; and at boosting animal husbandry, particularly in Xieng Khouang, Khammouane, and Saravane Provinces, where farms will be built. In addition, they will join in cooperating to survey the Bolovens Plateau to build cardamom, coffee, and tea plantations. In the forestry sphere, they will strengthen the cooperation in exploiting forests along routes 9 and 8 as well as in border areas between Laos and Vietnam. This is to further strengthen the bilateral cooperation and assistance. [Text] [Vientiane Domestic Service in Lao 0000 GMT 18 Dec 85 BK] /12712

CSO: 4206/38

FORMER NPA LEADER URGES CLOSER GOVERNMENT LINK TO PEOPLE

HK230842 Davao City PEOPLE'S DAILY FORUM in English 29 Nov 85 pp 1, 8

[Article by Hernanie Pastolero]

[Text] Top NPA commander in the Visayas region warned that the Communist strength will continue to grow unless the government does something to win back the hearts of the masses in the hinterlands. Speaking before some six hundred crowd during the symposium in counter-insurgency in the Shariff Kabungu-an Complex in Cotabato City last 23 November the erstwhile NPA regional commander in Visayas Pastor Alcover Jr., said the government should establish close links with the people in the farflung communities. Pastor Alcover, who joined the Communist movement while he was still in high school in Cebu City seven years ago said he rejoined the folds of the law because he realized that he has been misleading his Filipino brothers of the goal of our present leadership. According to Alcover the civic action project launched by the government (CVAC) has failed to neutralize NPA's influence in the mass base because after these projects are implemented they are not being followed up with personalized government contacts with the people.

Every time the government doles out medical aids to the barangays the NPA begin indoctrinating the people that it is the duty of the government to give medicines to the people, Alcover said. The NPA also confiscated all the medical supplies and they would be the ones to ration the medicines to the people. Alcover said the military figure of the standing army of the NPA is only 12,000 but there are actually 20,000 NPA fighting regulars. He said the NPA are also celebrating their Christmas Day every 26 December. The brithday of Mao Zedong. The Communist ideologues in the Philippines are mouthing the Maoist line, according to Alcover. Alcover will speak of the evils of Communism in a series of counter-insurgency symposiums to be held in different provinces in Region 12, according to Major Oscar Recentes of Ruc-12. Meanwhile, Ruc [Regional Unified Command]-XII Commanding General Cesar F. Tapia has intensified the military campaign to restore peace and order in the region through the left-hand efforts, including counter-insurgency symposia in areas considered NPA infested.

/9738
CSO: 4200/455

TRADE UNION CONGRESS DENIES MEMBERS WANT TO SECEDE

HK241409 Manila BUSINESS DAY in English 24 Dec 85 p 19

[Text] The Trade Union Congress of the Philippines (TUCP) today called "a blatant lie" the statement by MP Salvador Britanico that "19 of the 29 member-unions (of TUCP)... are considering secession from TUCP." TUCP secretary Ernesto F. Herrera said: "There is no iota of truth to it. TUCP does not have any members wanting to break away, much less because of the alleged pro-communist leanings. All TUCF members are for free, democratic unionism and are hard-line anti-communists." Britanico had claimed that TUCP's receiving aid from the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO) had disgusted its members with "blatant pro-communist leanings." At the same time, Herrera said that AFL-CIO aid has gone to intended projects for workers' education and socioeconomic programs. "There is nothing anomalous about such help given by our fraternal organizations abroad," Herrera said. "We hope that MP Britanico does not imply by his allegations a low regard of the unions' integrity and contemptuous attitude towards TUCP's campaign for a free and clean election." TUCP has launched a non-partisan campaign for active participation in the election, intelligent, [word indistinct], honest polls. It is a member of the National Citizens Movement for Free Elections.

/9738
CSO: 4200/455

JANUARY-NOVEMBER CORPORATE INVESTMENTS UP 72.5 PERCENT

HK270915 Manila BUSINESS DAY in English 26 Dec 85 p 3

[Text] The Securities and Exchange Commission (SEC) recently reported that total corporate investments, in terms of initial paidup capital plus capital reinvestments, rose 72.5 percent to P5,851.7 million for the January-to-November period from the year ago's P3,391.7 million.

Fresh investment increased 81.8 percent during the 11-month period to P1,969.5 million against the previous P1,083.4 million.

Additional investments in existing companies, on the other hand, advanced 68.2 percent to P3,882.7 million from P2,308.3 million.

Combined foreign investments meanwhile soared to P1,458.6 million from P560.9 million recorded last year. These were either in the form of new investments or additional equity infusions in established firms.

However, the capital takeout due to business dissolutions rose to a staggering P2,075.5 million from only P324.9 million last year.

On a month-on-month basis, the SEC noted that total capital investments in new and existing firms dropped 72.6 percent to P193.1 million last November against the P704.2 million recorded last October.

Total initial paidup capitalization last month eased off 44.6 percent to P128.3 million compared to the preceeding month's P231.5 million.

Top investors last November were G. Casas Et. Al Corp. with an initial paidup capitalization of P13.1 million; North Edsa Marketing, Inc., P12.5 million; Trion-Gorones, Inc., P10 million; Trillamar, Inc., P4 million; Jahrlan Realty and Development Corp., P3.7 million; Flexible Packaging Products Corp, and Rosario Textile Mills Corp., P3.1 million each; and Guaranteed Education, Inc., P2.7 million.

Business expansions, on the other hand, nosedived 86.3 percent to P64.7 million from the previous month's P472.7 million. Recipients of the biggest additional capital infusions during the period were Aries Philippines, Inc. and Neco Industries, Inc. which received P9 million each.

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CSO: 4200/455

GOVERNMENT AGENCY SEEKS TO SELL EQUITY IN BANK

HK241530 Manila METRO MANILA TIMES in English 24 Dec 85 pp 12, 11

[Text] The Government Service Insurance System (GSIS) is selling its equity holdings in Commercial Bank of Manila [Combank] for P500 million.

Negotiations for the sale of the bank to a foreign bank and four local groups led by insurance magnate Antonio Cabangon Chua are now being finalized.

Sources said GSIS wanted to unload its 3,218.195 shares in Combank for P155.37 per share.

This selling price is based on the book value per share plus a premium estimated at 50 percent of the par value per share.

The book value per share is placed at P102.69 while the par value per share is P100. The total book value of the shares, amounts to about P330 million.

The premium being asked by GSIS is estimated at P170 million. It was not known, however, if the prospective buyers of Combank have agreed to the selling price being asked by GSIS.

The buyers include the Honolulu-based Bank of Hawaii, Fortune Insurance, a group engaged in shipping, a multinational Filipino firm, and a plastic manufacturing firm.

This is the second attempt of Bank of Hawaii to invest in a local commercial bank. Early this year, Bank of Hawaii, in a joint venture with sugar trader Antonio Chan, proposed to buy Pacific Banking Corp, a medium-sized bank placed under receivership by the Central Bank. This, however, fell through due to legal problems.

The negotiations between GSIS and Bank of Hawaii and the local groups are expected to be firmed up soon. The only remaining kinks that have to be ironed out are the proposed equity sharing.

Sources said the prospective buyers have tentatively agreed on an equal equity sharing scheme. This means that each group would take up a 20 percent equity in the bank. Based on this arrangement, Bank of Hawaii would only have a 20 percent share in the bank while the local groups would have the 80 percent.

Sources said, however, the deal would still have to be finalized. One of the groups is reportedly seeking a higher equity share in the bank.

Under the proposed tie-up between Bank of Hawaii and the four local groups, the Honolulu-based bank will pump in P500 million into the bank.

Combank, formerly owned by the Herdis Group, was acquired by GSIS in 1981 for P650 million. It is now being sold in line with the government policy of privatization or the sale back to the private sector of companies which the government had earlier acquired or taken over.

Interbank, also formerly a part of the Herdis group and now owned by the National Development Company, has reportedly reached an agreement for the sale of its 40 percent equity to American Express Bank, Ltd, a subsidiary of American Express Company based in New York.

If negotiations prove to be successful, Combank and Interbank would be the first banks to be sold back to the private sector. The other government-acquired banks also being sold are Philipinas Bank, Union Bank of the Philippines, Associated Bank, and Republic Planters Bank.

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CSO: 4200/455

PHILIPPINES

BRIEFS

MNLF 'DISINFORMATION' ATTEMPT--A Filipino Muslim diplomat in Saudi Arabia has thwarted attempts by Nur Misuari, self-styled chairman of the MNLF, to spread lies and disinformation about Philippine conditions. The Ministry of Foreign Affairs said Philippine Ambassador Tamano answered point by point Misuari's allegations. The allegations, which were inimical to Philippine interests, were published in the 27 November issue of SAUDI GAZETTE. Misuari said dispute will break up the presidential and vice presidential elections and affirmed the legend that Philipino Muslims have never been part of the Philippine nation. However, Tamano immediately reacted to this allegation, saying that Misuari is ignorant of the real conditions in the Philippines because he has not been in the country for the past 20 years. Tamano assured the Saudi Arabians that Philipino Muslims are set to participate in the elections as they have never done before. [Text] [Quezon City Maharlika Broadcasting System in English 0700 GMT 24 Dec 85 HK] /9738

MINDANAO HYDROPOWER PLANT--Another hydropower plant is due to start operations next week in Mindanao. The Tulanggit Plant No. 4 will add another 255 megawatts of electricity to the Mindanao area. The plant's operation will help carry out the president's directive to restore full power supply to Mindanao. Power supply to the island has been adversely affected because of the drop in the water elevation at Lake Lanao where several hydropower plants are located. The National Power Corporation reported, however, that the water level at the lake has risen to 700 meters. Barring any drought next year, power supply in Mindanao is expected to be adequately provided by hydrosystems. [Text] [Quezon City Maharlika Broadcasting System in English 0400 GMT 26 Dec 85] /9738

CSO: 4200/455

WIWAT COLUMN CRITICIZES POLITICAL TORPOR

BK180700 Bangkok WIWAT in Thai 9-15 Dec 85 pp 56, 57

[Chatcharin Chaiwat column: "I Would Rather Die If I Were in Pa's Boots"]

[Text] Following the election of the Bangkok governor, the "silent majority" has lapsed back into silence. The public paid very little attention to the ensuing elections of district council members as the people's political eagerness began to fade. The temporary political activity can be compared to the excitement experienced from watching Larry Holmes and Michael Spinks fight on television; when the television is turned off after the fight, everything returns to normal. Only a few remarks might be heard.

A roadside poet described the atmosphere by saying: "when a stone is thrown into the water, waves are created and disappear at the edge of the pond. The water in the pond then become motionless again as it always is."

During the past weeks, the people saw moves to "foil" attempts by certain groups to muster support from those who are not satisfied with the current situation to press for amnesty for the 9 September coup plotters. It began with the arrest at Don Muang Airport of some people who were about to go abroad to seek financial assistance and the "dud check lawsuit."

The "textile" problem has been big news for the past several months but now it is treated as nothing important. Some newspapers even omit it. However, the problem has not yet been solved. In short, the textile crisis still lingers.

Regarding tin, a few business publications provide regular coverage over this issue, but nothing special. In any event, the International Tin Council will certainly collapse, and efforts to stabilize tin prices are unlikely to yield any result.

There has not been much news about para rubber. However, it is generally known that both para rubber and tin are facing the problem of low prices in the world market. The para rubber-producing countries have failed to provide sufficient funds to buy the product for the international buffer stock. The domestic rubber price is 15 baht per 1 kilogram while the same weight of rubber brings only 14 baht in the world market. The rubber price hike in the south was only the result of competition between the two big companies which is expected to force many smaller companies to close down. Rubber prices will continue to decline.

Sugarcane seems to be quite big news probably because of the involvement of those well-established organizations. Moreover, the issue involves politics, thus attracting public interest. Cane planters want 420 baht per ton for their crop while the government is offering only 323 baht. More fuel is added to the flame when some political groups plan to lead cane planters into Bangkok to call for higher prices. No matter how the government tries to defuse the crisis, it will have to seek at least 2 billion baht loan to support cane prices.

Critics from different schools have come to the conclusion that Thailand's economy is deteriorating. Some economists went a little bit too far by suggesting talks with the military over the defense budget, but before they could step forward to say anything, they heard someone shouting: mind your own business. [words indistinct] things are getting worse, businessmen believe that the baht devaluation in 1984 has failed to bring any good as expected--the export volume increased but its value decreased. The economic growth rate for the upcoming sixth national development plan is fixed only at 4 percent instead of 5, so the number of jobless will shoot up to 2 million automatically.

The sluggish atmosphere following the Bangkok governor election has, however, been brightened to a certain extent by the electioneering campaigns launched by General Han Linanon and Khanin Bunsuwan of the Democrat Party and Lieutenant General Withun Yasawat and Dr Ratçhata Kanchanawanit of the Social Action Party for the upcoming by-election to be held in Bangkok's constituency. Meanwhile, the Pra Chakon Thai Party has not yet revealed its candidates to the people. After the by-election, the dullness will definitely return.

The people almost had something to talk about when the government was reported to have decided to break the dullness by increasing the diesel oil price to as high as 8 baht per liter as the Social Action Party jumped out to air its strong opposition to such an idea. The new diesel oil price could have been a weird new year gift for the Thai people. General Prem Tinsulanon has obviously faithfully applied the theory established by (Crusio Malapate) who said: "One of the best ways to counter the antigovernment current is to prolong everything as long as possible."

Attempts have been made to trigger a sense of humor among the people. An unsuccessful businessman burst into dry laughter when he came across a press report on Gen Prem's speech delivered at a meeting of businessmen at the Dusit Thani Hotel recently. The prime minister reaffirmed that Thailand's economy is "excellent" in the eyes of foreigners, reasoning that "they still give us loans."

Other businessmen who are disappointed with the low purchasing power of the Thai people smiled when they read a portion of the same report which says: "regarding the investment climate, his excellency the prime minister has created an atmosphere attracting foreign investment. He said: I have told foreigners on several occasions that it is better to invest their money in Thailand because we have many things which other countries do not have. For example, our Thai International Airline has pretty girls to serve its clients. During my trip to China, I noticed that services on board their planes were terrible. Nothing can be compared to ours."

Those businessmen were so impressed by the prime minister's statement that they want to join the placard holders hired by the Interior Ministry to greet the prime minister wherever he goes. However, the sentence they would like to have on their placard will read: "I would rather die if I were in pa's [Prem] boots."

The Communist Party of Thailand, the government's No. 1 enemy, has been totally defeated, but the budget allocated for communist suppression will continue to increase. It is assumed that the armed forces support democracy with the king as the head of state. As the army radio and political parties exchange verbal attacks, the democracy-loving people experienced gooseflesh. There will be no cabinet reshuffle, house dissolution or anything new. The people are urged to be patient, practice austerity, and behave to cope with the further economic deterioration.

A no-name poet then recited the following verse:

"The politicians were exhausted by the election games;
The division commanders smile happily in the upper house;
Workers hopelessly call for social welfare;
Nobody knows who is running the five labor organizations;
Students are fed by with discotheques;
Hundreds of thousands of people merge their hearts into one as they try to figure the last three digits of the next lottery drawing;
Halley's comet will come close to the earth next year;
What will we have left in the land of Siam?

/12712
CSO: 4207/110

CROWN PRINCE TO ATTEND ARMY WAR COLLEGE, THEN TO U.S.

Bangkok DAO SIAM in Thai 29 Nov 85 pp 1, 2

[Excerpt] The Crown Prince is currently on active duty in the army and serves as the commander of the King's Guard Mahatlek Regiment, which is a slot for a special colonel or colonel. He has been the commander of this unit (which used to be a battalion) for 1 year now. There have been reports that he will be promoted to special colonel based on position. The reports stated that his salary has reached the level of a special colonel.

At the time that the King's Guard Mahatlek Regiment was still a battalion, it was subordinate to the 1st King's Guard Mahatlek Infantry Regiment. But now that it is a regiment, the King's Guard Mahatlek Regiment commanded by the Crown Prince is directly subordinate to the 1st King's Guard Division, which is commanded by Maj Gen Wimon Wongwanit.

The reports stated that besides being promoted to special colonel, the Crown Prince will attend the Army War College, where he will take a 1-year course. The Army War College is an army educational institution that is subordinate to the Institute of Army Academies. The curriculum of the Army War College stresses high-level army management and the characteristics of military leaders who will command units at the divisional level on up. This is preparation for those who will be promoted to "general." Those admitted to this school must hold the rank of colonel or higher. They can be from the command, staff, operations or combat support streams. But the quotas for those from the command and staff streams are much larger. The Crown Prince is considered to be in the command stream. He and three other officers from the King's Guard Mahatlek Regiment will be sent as part of the quota of the 1st King's Guard Division. The army has made preparations for him to attend this school. It is thought that he will recieve his orders this month and that he will begin school at the beginning of next year.

The news reports also stated that after he has completed his studies at the Army War College, the Crown Prince will attend the U.S. Army War College. He will attend the War College there for 1 year. The army is making advance preparations for this in conjunction with the U.S. Army. The year that the Crown Prince attends the U.S. War College, a special quota will be set for Thai officers.

11943
CSO: 4207/106

SPECIAL WARFARE APPOINTMENT ENGENDERS APRIL RESHUFFLE SPECULATION

Bangkok LAK THAI in Thai 5 Dec 85 pp 29, 30

[Unattributed report: "The Special Warfare Command, Time for a New Commander"]

[Text] Placing the U.S. special forces under a special warfare command is something that the U.S. special forces have thought about. But they have not done this because the U.S. Congress has not given its approval. Thailand's special forces established a Special Warfare Command in 1983. The 1st and 2d special forces divisions and the Special Warfare Center were subordinated to the Special Warfare Command. This command was made the equivalent of an army area. Lt Gen Anek Bunyathi was the first commander of the Special Warfare Command. The present commander is Lt Gen Sunthon Khongsomphong, or "Big Chot." Special forces units can be employed nationwide and even overseas (if that should ever be necessary).

This paratroop unit started out as a battalion. At that time, the unit was subordinate to the Infantry Center. Now, it has grown to the equivalent of an army area. It has special qualities and is recognized as having greater capabilities than other units.

The Special Warfare Command, which is located at Ban Erawan in Lopburi and which has a forward headquarters at 1st Army Area headquarters, is commanded by Lt Gen Sunthon Khongsomphong. The deputy commanders are Maj Gen Sanan Sawetserani and Maj Gen Thonphon Punyopattham. Maj Gen Sanyawit Sirimonthon is the chief of staff. Maj Gen Phayap Prachansen is the commander of the Special Warfare Center. Maj Gen Khachon Ramanwong is the commander of the 2d Special Forces Division. Maj Gen Wattana Sanphanit is the commander of the 1st Special Forces Division. This list of generals is short one man. That is, there should be a third deputy commander of the Special Warfare Command. Each army area has three deputy commanders. The Ministry of Defense has ordered that a major general be appointed to this position and that the other slots be filled to match those of the army areas. These positions include comptroller and inspector general. Thus, people are watching to see which officers will be appointed to these positions.

If people are promoted from within the unit, the person who stands a good chance of being appointed deputy commander of the Special Warfare Command is

Maj Gen Khachon Ramanwong, the present commander of the 2d Special Forces Division (a member of Chulachomklao Royal Military Academy Class 5). If Maj Gen Khachon is appointed deputy commander, he will hold a position equivalent to that of Maj Gen Isaraphong Nunphakdi, or "Big Tui," the deputy commanding general of the 2d Army Area. There is also speculation about Maj Gen Wimon Wongwanit, the commander of the 1st King's Guard Infantry Division. He was transferred from the 1st Special Forces Division this last October. He became a general before his classmate, that is, Maj Gen Khachon Ramaneong. Some think that in the future, Maj Gen Wimon might return to the Red Berets as the commander of this unit instead of rising through the ranks in the 1st Army Area. Because it isn't necessary for the commander of the 1st King's Guard Infantry Division to rise through that chain. Maj Gen Isaraphong, for example, was made the deputy commanding general of the 2d Army Area after serving as the commander of the 1st Division. But if Maj Gen Khachon Ramanwong does become the deputy commander of this unit, it is unlikely that Maj Gen Wimon will return to the paratroopers.

Some think that Maj Gen Sanyawit Sirimonthon, the chief of staff of this unit, might be promoted to this position. But looking at the classes, Maj Gen Sanyawit is a member of CRMA Class 6 and so is junior to Maj Gen Khachon Ramanwong by one class. Also, he was promoted to major general 1 year after Maj Gen Khachon. Thus, based on several different factors and suitability, it seems more likely that Maj Gen Khachon Ramanwong will be promoted to this position.

If people are promoted from within the unit, the person most likely to be promoted to the position of deputy commander is Maj Gen Khachon Ramanwong, the commander of the 2d Special Forces Division. If he is promoted to this position, the person most likely to take his place as commander of the 2d Special Forces Division is Special Col Araphan Wattanawibun, the deputy commander of the 1st Special Forces Division, who is a member of CRMA Class 8, the same class as Maj Gen Wattana Sanphanit, the commander of that division. Another well-known paratrooper is Special Col Sorawit Phibunsin, or "Khwan," the deputy commander of the Special Warfare Center, who is a member of CRMA Class 7. He may replace Maj Gen Phayap Prachansen, a member of Army Preparatory School Class 5, who will retire in 1986. Within the Red Berets, it is likely that Special Col Araphan will be promoted to commander of the 2d Special Forces Division.

If Special Col Araphan, or "Poi," is appointed commander of the 2d Special Forces Division, Special Col Udom Ditsathabanchong, the second deputy commander of the division, will be made the first deputy commander. Special Col Wicha Siritham, the chief of staff of the 1st Special Forces Division, is the one most likely to be appointed second deputy commander in his place. If Special Col Udom is not appointed to this position, another likely candidate is Special Col Sorayut Chulanon, the commander of the 1st Special Forces Regiment, the "Pa Wai Paratroopers."

Others, however, think that someone from outside the special forces will be apppointed third deputy commander of the Special Warfare Command. They think that the "senior officers" will appoint a "suitable" officer from the outside. One news source said that Maj Gen Wirot Saengsanit, the commander of the

AAA Division and a man in whom Gen Athit Kamlangek has great trust, will be appointed to this position. This would represent a promotion because this position, which is equivalent to the position of deputy army area commander, is higher than divisional commander.

Others think that while this position will go to an officer from within the unit, that is, Maj Gen Khachon Ramanwong from the 2d Special Forces Division, his replacement as commander of the 2d Special Forces Division will be an officer from outside the unit who used to be a paratrooper, that is, Special Col Charun Phunsanong, the deputy commander of the 9th Infantry Division at Kanchanaburi. Special Col Charun has twice missed being promoted to commander of the 9th Division and is a very suitable candidate for this position.

Because the Special Warfare Command will get another "general," it is almost certain that there will be a midyear, or April, military reshuffle. The transfers will have to be in line with the reshuffle, which could amount to more than just "appointing an additional officer." Lt Gen Sunthon Khongsomphong, the commander of the Special Warfare Command, may be one officer who is transferred at midyear in order to be promoted to full general. This would mean that the Special Warfare Command would get a new commander during the April reshuffle.

11943
CSO: 4207/106

FOREIGN MINISTRY: NO PROGRESS ON MALAYSIA FISHING DISPUTE

Bangkok THAI RAT in Thai 18 Nov 85 pp 1, 2

[Excerpt] Mr Pratchayathawi Tawethikun, the deputy director-general of the Information Department, Ministry of Foreign Affairs, talked with reporters at the Garden Hotel yesterday evening about the meeting between Air Chief Marshal Sitthi Sawetsila, the minister of foreign affairs, and Tenku Ahmad Rithauddeen, the Malaysian minister of foreign affairs, who had come to Thailand to discuss several issues. In particular, because Thailand is a close friend, Malaysia wanted to learn Thailand's views on the coming trip to China by the Malaysian prime minister. Besides this, they also wanted to ask if Thailand had anything to pass on to China.

As for bilateral cooperation, Thailand and Malaysia will establish a joint organization in order to exploit the undersea resources in the border area. Thailand does not feel that much progress has been made in reaching an agreement on the joint use of the border economic waters zone. There are still several obstacles. In particular, oil drilling operations have not gone forward because of problems with some of the oil companies. Thus, we will proceed with oil drilling operations in other zones first. A joint team of experts will be formed to discuss matters and see what options are available.

As for the fishing problem, the director-general of the Information Department said that we are still negotiating. Thailand has received Malaysia's draft agreement on fishing. But Thailand feels that there are still problems. Some of the conditions, such as the repeal of the short-term treaty and the payment of compensation for losses, have made Thai investors wary. Thus, Thailand has submitted its own draft to Malaysia. The work teams of both sides will meet with each other next week.

Besides the fishing problem, there is also the joint vehicle parts investment project. Negotiations were held once before at Phuket when the prime ministers of the two countries met. Thailand wants additional details on the process involved and so no agreement has been reached on this.

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CSO: 4207/87

DEMONSTRATORS, GOVERNMENT CALL FOR SOVIETS TO LEAVE AFGHANISTAN

HK270750 Hong Kong AFP in English 0739 GMT 27 Dec 85

[Text] Bangkok, 27 Dec (AFP)--About 400 Moslems demonstrated outside the Soviet Embassy here on the sixth anniversary today of the Soviet military intervention in Afghanistan.

The demonstrators chanted "Soviets get out of Afghanistan" and "USSR, dictatorship" while carrying posters which read "USSR war animal" and "stop killing Moslems in Afghanistan".

A security force of about 50 police stopped the protestors from throwing posters onto the embassy grounds. There were no other disturbances and no one was arrested.

The demonstration was organized by the political activist group the Moslem Center of Thailand.

The group distributed a statement which condemned what it called the Soviet "attempt to systematically destroy the beliefs of Moslems by imposing the Soviet communist system (in Afghanistan) and by sending several thousand Afghan students to be brainwashed in the Soviet Union."

Some 200,000 Moslems live in Bangkok, capital of mainly Buddhist Thailand.

The Thai Government said in a statement on the sixth anniversary of the intervention that the continued Soviet military presence in Afghanistan "has caused instability in the region and forced more than four million Afghans to flee their homeland to seek refuge in neighboring countries.

"Hundreds of thousands of Afghans have also been killed or wounded in the fighting," the statement said.

Thailand called "for the immediate withdrawal of the foreign troops from Afghanistan and the creation of the necessary conditions for the Afghan refugees to return voluntarily to their homes in safety and honor."

It also called "for the Afghan people to determine their own form of government and to choose their economic political and social systems free from outside intervention, subversion, coercion or constraint of any kind whatsoever," the statement said.

/9738
CSO: 4200/459

ARMED VIETNAMESE REFUGEES HIJACK TRAWLERS

BK260159 Bangkok THE NATION in English 26 Dec 85 p 3

[Text] Songkhla--Armed Vietnamese have in separate incidents seized three Thai trawlers and forced their crew to take them to the south as refugees, according to the president of the Songkhla Fishing Association.

Khli Ruangsong did not say when the incidents happened but said each of the trawlers carried about 20 Vietnamese when they arrived in this southern province. He said the Vietnamese had no valuables on them unlike those who had arrived earlier.

Khli said he thought the Vietnamese were phony refugees and had conspired with Vietnamese soldiers to sail in small boats until they came across the Thai trawlers on the open sea.

Khli said Thai captains and crewmen of the trawlers were tied up in the stern while the armed Vietnamese steered the ships into Thai waters. He said they forced the Thai crewmen to report to Thai authorities that their small boats had been attacked and destroyed by pirates, and their women had been raped.

Khli said he was concerned because this was an international issue and Thai authorities would have trouble finding out what really happened at sea.

Some of the Vietnamese are in the custody of Songkhla police, according to Pol Col Phaibun Singwanit, the police chief of this province who added that during the past six months, 476 Vietnamese, 301 men and 175 women, had been rounded up for illegally entering the country.

Phaibun said 20 percent of them claimed to have been attacked by pirates at sea but could not give substantial evidence. However, the United Nations High Commissioner for Refugees (UNHCR), which has an office here, has been inclined to accept the Vietnamese version of events.

Meanwhile, Deputy Permanent Secretary of Interior Ministry Charoenchit Na Songkhla said in Bangkok that Thai people were not hired to take the Vietnamese into Songkhla as refugees.

Charoenchit said Thai fishermen met about 20 Vietnamese in their boats adrift at sea and took them ashore two months ago.

However, the Ministry of Interior ordered the governor of Songkhla to keep a close watch on the displaced Vietnamese who entered Thai waters by boats, he said.

According to UNHCR, 4,357 displaced Vietnamese arrived in Thailand since January to October 1985. For October in particular, 111 Vietnamese arrived, 91 by sea and 20 by land.

A source in Songkhla reported Charoenchit had recently ordered the governor of the province to refuse the immigration of 25 Vietnamese who landed at the oil rig of the Unocal Thailand Inc at Kra Island in Songkhla.

However, the source said three of them had managed to sneak into the province but police later arrested them while they were about to board a bus.

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CSO: 4200/459

COURT CURTAILS CHAMOY CASE MEDIA REPORTING

Bangkok THAI RAT in Thai 13 Nov 85 pp 1, 2

[Excerpts] At the trial of Mrs Chamoy Thipso and the other seven defendants on charges of defrauding people and taking loans that defraud the people, the criminal court stepped up the proceedings and began questioning prosecution witnesses for the second time at 0930 hours on 12 November. The court refused to postpone the case.

Before calling witnesses, Mr Banyat Wisutthimak, the chief of Criminal Litigation Division 8, Department of Public Prosecutions, submitted an appeal to the court. He said that after witnesses for the prosecution were questioned the first time on 31 October, several newspapers published the names of the witnesses and discussed their testimony. Because of this, many of the prosecution's witnesses do not want to come and give testimony because they are ashamed of having been fooled. This harms the prosecution's case. Or if they do come to court, there is reason to believe that they will not disclose the full truth about the matter. Some of the prosecution witnesses to be called at a later time will name senior people in government circles. If their testimony is publicized, this could damage the reputations of the people named without their having a chance to defend themselves. This could mislead the people and lead to further turmoil. The disclosure of such material is not appropriate for the prosecution of the case or for protecting the public interest. Thus, he asked the court to issue an order forbidding anyone from disclosing the names of the witnesses or reporting on their testimony.

The court agreed with the prosecution and so it issued an order prohibiting the press and other members of the mass media from disclosing the names of prosecution witnesses or discussing their testimony. This is effective immediately.

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THAILAND

COLUMNIST WANTS SEPARATION OF POLITICS, TRADE WITH EAST

Bangkok DAILY NEWS in Thai 20 Nov 85 p 2

[Around the World column by Trairat: "Thailand's Way Out"]

[Text] This is a very difficult time in which to live. Why is Thailand's economy like this? This is the first time that we have been unable to sell our goods. And foreign goods are flooding our markets. Efforts have been made to get people to buy only Thai goods. But such efforts are like a fashion that quickly goes out of style. Foreign goods fill the markets.

We have not made a serious and resolute effort to solve the problems. I had a chance to visit China, North Korea, the Soviet Union and East European countries. From what people told me and from what I saw, it was clear that we have many potential markets if we can separate political-military matters from trade. We must stop being afraid of them. We must realize that our problems have not been caused by outsiders. If the country collapses, it will be because of evil people here. We don't have to be afraid of anyone. Other countries have many problems. When they see the problems here, no one will be interested. The communists in Thailand struggled for decades but achieved nothing. It's impossible to incite quarrels. The communists who are the most worrisome are the Chinese. They think like us, and there are many Chinese in Thailand. But everything has changed. China is becoming more capitalistic and is no longer interested in converting others to communism. It trades with countries all over the world now.

Obtaining new markets is something that must be done systematically. It's not a game. You can't talk with just a few people and then stop. Nothing can be achieved that way. That's just a waste of money. People here do not follow up on things; they are not really interested. Government officials just like to get their names in the news. The politicians are the same. I have been to many countries and learned the same thing everywhere. Our senior people negotiate with them, and they promise to help. But then we don't follow up on things and so don't benefit as we should. For example, others have promised to purchase goods from us and to negotiate various problems.

Chinese leaders are ready to cooperate with and support us on almost everything. But we have acted very slowly and so little has been achieved. Very few of our diplomatic offficials in Beijing can speak the Chinese language.

We should engage much more in barter trade or counter trade. Take oil, for example. We could probably obtain oil from several countries in exchange for Thai goods. We could probably export large quantities of goods, particularly agricultural goods, this way. Foreign currency doesn't have to flow out of the country. We can sell our goods. It all depends on how resolute the people who go negotiate are. Commissions are large. Large sums are involved. Everyone wants to spend money to make purchases. If we bartered goods with the communist countries, our situation would improve greatly. Actually, the communist countries, such as China, North Korea and the east European countries, are important producers of machinery. We should use more of their goods. We wouldn't have to purchase so much from Japan. Our balance of trade would improve.

We should even purchase weapons from China and other countries that are not in the Soviet and American camps. The prices of these weapons are cheaper, and it is easier to purchase them. And what is important is that we could exchange Thai goods for them.

This is what I recommend, but I don't know if anyone will pay attention. Our country lacks sincere and resolute people. If we had many people like Chamlong [Maj Gen Chamlong Simuang], Thailand would be a great power.

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DR. SANOH, OTHERS DISCUSS ECONOMIC PROBLEMS

Bangkok DAILY NEWS in Thai 17 Nov 85 pp 1, 2

[Excerpt] Beginning at approximately 0830 hours on 16 November at the Ambassador Hotel, the Thammasat Association sponsored a seminar on the topic "Thailand's Economic Future: Bright or Dismal?" Attending the seminar were several well-known experts from the public and private sectors. Those attending included Dr Sanoh Unakun, the secretary-general of the Economic and Social Development Board, Mr Suthi Singsane, the deputy minister of finance, Dr Amnuai Wirawan, the managing director of Bangkok Bank, Mr Thapana Bunnak, the secretary of the Thai Chamber of Commerce, and Dr Chawalit Thanachanan, the deputy governor of the Bank of Thailand. Mr Kroekdiet Phphatseritham served as the moderator.

To open the debate, Dr Suthi Singsane took a neutral position, saying that Thailand's economic position has both strengths and weaknesses. One of the weaknesses is that trade and investments are dismal and exports have declined. The world economic situation has affected Thailand. The protectionist policies have had a particularly bad effect. As for the good aspect, the rather serious problems have forced the government to take resolute action. While the measures taken will manifest results in the long term, some results can already be seen. For example, the balance of trade deficit will decline approximately $2.6 billion this year. However, the problem has not been fully solved because this has been a chronic problem. The measures implemented by the government, including the devaluation of the baht and the tax changes, will not begin to manifest real results for another 6 months or more.

"We know that we can't tie to many knots. Thus, officials are trying to take the middle road. This year, we are confident that the economy will grow 4 to 5 percent if everyone cooperates. Even though things will not improve too much next year, I feel sure that there will be more opportunities for increasing production investments next year."

Dr Sanoh Unakun, the next speaker, said that the present situation is very dismal and volatile. Some sectors are too weak to be able to adjust. There are too many factors that are outside our control.

Dr Sanoh electrified people when he suggested reducing the budget deficit and saving money by reducing the military's weapons procurement budget. Dr Sanoh said that the military must be made to understand that eveyone is patriotic and wants the country to be secure. But it must be admitted that we just cannot afford to invest such huge sums of money at a time when the country is experiencing serious monetary and financial problems. "I want to repeat that patriotism means helping the country to survive. National survival does not depend only on having weapons. There must also be economic security. If we are not careful and the debt builds up, we may find ourself in the same situation as the Philippines. We could go bankrupt. If things reached that point, the country would not survive."

Dr Sanoh discussed ways for the country to earn export revenues at a time when international trade is depressed and countries are implementing protectionist policies. He said that we should adjust our international trade policy and use a "mosquito strategy." That is, we should disperse and engage in trade everywhere. We will have a greater chance of succeeding even if we do meet with failure in some places. We must also ensure that our products meet certain standards. "Japan has opened markets for 1,800 different types of goods from abroad. Fewer than 50 of Thailand's goods meet the standards. This has prevented us from taking advantage of this opportunity."

Mr Amnuai Wirawan, the next speaker, said that 1986 will be a twilight period. This will be a dark and dangerous period. Leaders in both the public and private sectors must be diligent, frugal and honest, and they must coordinate things with each other.

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CENTRAL BANK GIVES ECONOMIC FORECAST FOR 1986

BK200309 Bangkok BANGKOK POST in English 20 Dec 85 p 21

[Text] Despite the projection that the fluctuation in the global economy will remain, the Bank of Thailand forecasts that there are signs indicating that the country's economy will not be any worse than this year.

In an official forecast, Governor Kamchon Sathirakun said the growth rate of the country's economy in 1986 will be 4.2 percent, down slightly from this year's predicted rate of 4.4 percent.

Mr Kamchon said that although there are signs of improvement in the country's economy, cautious measures will still have to be taken.

"The government itself will have to continue its belt-tightening policy, because its revenue will not increase significantly. The government's fiscal position will not be stimulating the economy," he said.

Mr Kamchon stressed that the private sector will play the leading role in spurring the economy "because they know where and into what investments should go."

The 4.2 percent growth rate forecast by the Bank of Thailand is rather optimistic. Some institutes, such as the Thailand Development Research Institute, predicted a growth rate of only 3.2 percent.

To this, the bank's Economic Research Department Director Wichit Suphinit replied, on behalf of Mr Kamchon, that the forecasts by the Bank of Thailand and other institutes were based on different assumptions.

"Our assumptions, in particular those concerning international trade, were based on the forecast of world-recognized institutes," Mr Wichit said.

Of the predicted growth, Mr Kamchon said production in the agricultural sector will rise by 2 percent, while the non-agricultural sectors will have a growth of 4.9 percent. He also said the inflation rate will be around 3.5 percent, up from this year's 2.4 percent.

Although it is predicted that the country's economy will improve next year, or at least will not get worse, there are signs that the global economy will stabilize. "But we must still plan on the projection that the fluctuation in the world will remain," he said.

The government, he noted, may have to tighten some measures while easing others.

There are three main problems that have to be solved for next year, Mr Kamchon said.

The first is due to global fluctuation "which will inevitably affect us."

The second problem is the local fundamental economic structure. "We will have to plug some holes," he said.

The third, he said, is the government's policy which must help to promote the private sector.

"The government's policy in the new year will emphasize the increase of demand in the private sector. This will include a reduction of personal income and corporate taxes, as well as the Government's expenditure," he said, adding that it must be admitted that it is impossible to have a growth rate of about 7 percent as in the past.

Details of the Bank of Thailand's official forecasts are:

—Production: It is expected that the growth rate of the agricultural sector will be 2 percent, compared to the rates of 4.1 percent and 3.9 percent in 1983 and 1984, respectively.

Production of most major crops will drop, while some less important produce, such as cotton, vegetables and fruit, will increase.

Production of livestock and fish will decline slightly as the exports of pigs and chicken to Singapore and Japan will be still good.

Production in the non-agricultural sector will have a growth of 4.9 percent, up from the rate of 4.6 percent this year.

The sectors of industry, commerce, banking and services tend to improve, in particular the industry with agricultural raw materials, such as the sugar industry, canned pineapples, and jute and wood products.

Some industries, those for the domestic market, are expected to improve too. They include soft drinks and household appliances.

Production in the mining industry will continue to drop, while the construction industry will still not recover from the cut of the government and state enterprise budgets.

Price level: Commodity prices in the world market show no sign of improvement, although oil prices seem to be going down further still. The situation is not right for an adjustment of minimum wages, therefore, the consumer price index will not exceed 3.5 percent, partly due to the adjustment of prices because of higher costs.

--Expenditure: Expenditures in the private sector will improve, including those for consumption and investment, and this will be the result of actual higher income and a lower actual interest rate.

The investment in exports will have good potential, particularly the export of new products.

As for the government's expenditure, projects which are not urgent, or with low return rates, will be postponed or cancelled, so that the country will not have to bear a higher debt burden.

--Trade and foreign exchange settlement: In 1986, the general atmosphere in international trading will be better, although exports of major crops will not be very good during the first half of the year.

However, the volume of export is expected to rise. Industrial products, except tin, will increase because of Thailand's higher competitiveness and the lowering of protectionist measures.

In general, exports will increase by around 7 percent.

In imports, it is expected that the value will increase by 5 percent, compared to the 5.5 percent of 1985. But the value of imported oil will be lower than this year.

Deficits in the trade balance and the current account will be close to this year's figures, which will be able 65,600 million and 43,100 million baht respectively.

However, the net capital transfer will sharply decrease, as the government has set a ceiling for foreign borrowings at US$1,000 million.

--Fiscal position: The government's fiscal position is not expected to improve.

Although the government will implement its austerity policy, the economic slump and low inflation will cuase the government's tax collection to increase only at a low rate, which will result in a huge cash deficit in the government's coffers.

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CSO: 4200/459

THAILAND

BANKRUPTCY SUIT FILED AGAINST CHIT FUND LEADER

BK250320 Bangkok THE NATION in English 25 Dec 85 p 5

[Text] The public prosecutor yesterday filed a bankruptcy suit against Mrs Chamoi Thipso who is on trial for violating the royal decree banning chit funds.

The prosecutor said in the lawsuit filed in Civil Court that Mrs Chamoi, the alleged operator of a major chit fund, is unable to repay debts of more than 4,500 million baht to her clients.

He said authorities had seized her assets but they were not enough to pay off the debts.

Mrs Chamoi and seven of her associates have been on trial since 31 October for allegedly running a chit fund in violation of the royal decree.

The prosecutor accused Mrs Chamoi and her associates of deceiving the public to invest in the chit fund which was disguised as an oil business venture. The accused lent out money invested by their clients in the chit fund.

The prosecutor said that in March this year, the accused refused to pay the interest promised to clients. They also hid their assets and used the cash to buy land, valuables and other property, according to the lawsuit.

The prosecutor said Mrs Chamoi is heavily indebted and is unable to repay the 4,554,582,440 baht owed to 16,231 clients.

The prosecutor asked the court to place all of Mrs Chamoi's assets under receivership and declare her insolvent. The court accepted the lawsuit for further deliberation.

The Criminal Court last week dismissed charges of cheque abuse against Mrs Chamoi whose trial has been adjourned to January. The court said hearings will be held every Tuesday and Thursday to speed up the trial.

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EDITORIAL BACKS CHANGES IN BANK LAW

Bangkok DAILY NEWS in Thai 20 Nov 85 p 3

[Editorial: "Controlling the Financial Institutions"]

[Text] The Ministry of Finance wants to revise the law so that it will have greater power in supervising the activities of the commercial banks and the securities and credit foncier institutions. It also wants to establish a fund to help financial institutions that encounter problems. This will be called the Fund to Revive and Develop the System of Financial Institutions. This was drafted as a royal regulation and submitted to the cabinet once before. But the matter was tabled because certain ministers and others concerned felt that this regulation was inappropriate and should not be approved as a royal regulation. They felt that it should be submitted as a royal act so that parliament would have a chance to discuss the matter. They did not feel that this was an urgent matter. Thus, the prime minister tabled the matter and appointed certain ministers to consider the matter before submitting it to the cabinet again.

The ministers appointed to consider the matter revised certain sections of this draft law and submitted it to the cabinet again at last week's cabinet meeting. The cabinet approved this as a royal regulation.

The royal regulation to revise the commercial banking law and the laws on finance, securities and credit foncier activities will give the Bank of Thailand greater powers in supervising these activities. In short, this will prevent the directors of these banks and financial institutions from using bank money to profit personally or to benefit friends. Besides the fact that these people will be required to submit reports to the governor of the Bank of Thailand, auditors will have the authority to investigate matters and examine documents and accounts.

In particular, one provision gives the governor of the Bank of Thailand the authority to order financial institutions to change board members and executives. He can also order them to increase their capital. Besides this, he also has the right to ask the police to forbid executives of financial institutions who have acted improperly from leaving the country.

In short, the purpose of this law is to prevent what happened before, which was harmful to the people, from happening again and to formulate measures to prevent the financial institutions from experiencing problems that could be harmful to the country and people.

The purpose in revising the Bank of Thailand Law is to establish a fund that can be used to support ailing financial institutions and keep them from going out of business so that the government or the Bank of Thailand does not have to step in and solve the problems or inject money as in the past.

Even though the government is late in issuing this law, which is being issued as a royal regulation, it should help prevent and solve problems concerning the financal institutions, which are of great importance to the country's economic activities. However, the fact that the government issued this as a royal regulation, claiming that this was urgent, leads us to believe that something may have happened that requires it to use this regulation and that it could not wait for parliament to pass this as a royal act.

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THAILAND

PREM DISCUSSES RICE PRICE SUPPORT SCHEME

Bangkok THAI RAT in Thai 19 Nov 85 p 9

[Special Interview column; remarks by Gen Prem Tinsulanon, the prime minister, during the provincial governors' conference at the Government House on 14 November 1985]

[Text] "The farmers have an important role to play in maintaining the position of the state. If the farmers are in trouble, we must do everything possible to improve their situation. We are making a sincere effort to solve the farmers' problems. But this does not mean that we will ignore the slums in the cities.

"Ever since I became prime minister, we have placed great emphasis on rural development. We have tried to eliminate rural poverty and improve the standard of living of rural people. We have implemented a policy to raise the price of paddy for this year's annual wet rice crop only. Economists might misunderstand and think that this is a permanent policy.

"Actually, we still have confidence in the market mechanism. Free competition can solve both the domestic and foreign trade problems. But because free trade this year has not made it possible to raise paddy prices and increase the incomes of the farmers, we had to implement a policy to raise paddy prices so that the producers would receive a fair price. Again, I want to emphasize that this policy will be used this year only. This is not a permanent policy.

"I am very confident that if all sides cooperate, the policy of raising paddy prices this year will score results. If the farmers, rice mills, government officials and commercial banks all try to help the farmers profit, this policy will achieve results.

"There are many people who support the 1985/1986 paddy price support policy. But there are also many who do not approve of this policy. This is because this is something new. However, I am confident that this policy will achieve results if everyone makes an effort and cooperates in solving the problems. The rice mills, rice exporters and commercial banks must all cooperate. The government knows that a free trade policy, that is, allowing the market mechanism to act without interference, is the best policy in theory. But in the present situation, we can't do things that way. We have to find a way to provide help.

"I think that the success of the 1985/1986 paddy price support policy depends on several factors. First is how committed people are to working for the benefit of the farmers. I know that all the provincial governors work very hard and that they are sometimes criticized unfairly. This will be another difficult period.

"I am sure that everyone is willing to work hard and that they are ready to work hard. I am sure that everyone here is ready to work hard on behalf of the people. If all of us do our utmost and things still do not improve, the people will understand why this policy did not achieve results. But we will first have to make a great effort on behalf of the people.

"The central government is prepared to work very hard to implement the paddy price support policy so that results are achieved. We are ready to accept criticism along with the provincial governors if this policy fails. We are ready to help in every way possible if you [the provincial govenors] need our help.

"However, I want to warn those government officials who are corrupt and who are unwilling to make sacrifices. The provincial governors must deal with these people. Those who cheat people must be put in prison. Those who neglect their duties should be censured. In raising annual wet rice paddy prices this year, public relations activities should be carried on widespreadly so that the people know about and understand this.

"Personally, I am not worried about any of you. We have selected good provincial governors. But I can't help worrying about the work apparatus, civil servants, merchants and rice mills.

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NATURAL GAS EXPLOITATION PLANS DISCUSSED

Bangkok DAILY NEWS in Thai 18 Nov 85 p 20

[Unattributed report: "Accelerate the Development of the Gas in the Gulf of Thailand"]

[Text] Mr Thammachat Wiriwattanakun, the deputy secretary general of the National Energy Authority, said that the development of the natural gas in the Gulf of Thailand will have to continue. The government has formulated gas development plans in order to use the gas that is discovered in the Gulf of Thailand as a fuel and as a raw material in industry. Gas from new sources, such as the Pla Thong, Pla Daeng, Banphot and Satun wells, will be exploited. Based on the plans, three gas pipelines will be laid from the new wells and connected to the existing concessionary gas pipelines in the sea. The first project is to lay a pipeline from the Pla Thong well to the concessionary pipeline. This pipeline will be 37 km long. A station to increase pressure will be built at Maptaphut. A sea platform will be built at the point where the pipelines connect in order to increase pressure in pumping gas into the pipeline. The second project is to lay a pipeline from the gas well of the Texas Pacific Company to the concessionary pipeline. This pipeline will be 170 km long. The third project is to lay a pipeline from the production site at sea to a spot on shore in Nakhon Sithammarat Province, that is, to the Khanom Power Plant, in order to supply natural gas to the Khanom Power Plant.

The deputy secretary general of the National Energy Authority also discussed the development of on-shore gas. He said that at present, this is being carried on at only one site, that is, the Sirikit oil site, or Lan Krabu site, in Kamphaengphet Province. The gas obtained from the Sirikit site is a by-product from the crude oil. It is being used as a fuel to generate electricity. We have obtained 22 million cubic feet. Besides this, natural gas has been discovered in Nam Phong and Chonnabot in Khon Kaen Province. Surveys are being done to determine the amount of gas reserves at these two sites. It must be determined whether there is sufficient gas for commercial purposes before action is taken to develop the gas.

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BRIEFS

REAGAN VETOS TEXTILE BILL--Prime Minister Gen Prem Tinsulanon has thanked U.S. President Ronald Reagan for his veto of the bill that sought to curb imports of textiles and apparel into the U.S., government spokesman Trairong Suwankhiri said yesterday. Trairong said Premier Prem told the Council of Economic Ministers during their weekly meeting yesterday that he had sent President Reagan a letter to express gratitude for his action. "The premier stressed in the letter that the U.S. Government under the leadership of President Reagan has once again demonstrated its friendship toward Thailand and other countries in Asia," Trairong said. Gen Prem on 17 September sent a letter to President Reagan urging him to consider the impact of the Jenkins Bill on the economy of developing countries. Reagan on 10 October promised in a reply letter that he would try his best to make international trade as fair and free as possible. [Text] [Bangkok THE NATION in English 24 Dec 85 p 1 BK] /9738

TALKS ON TRADE PROTOCOL--Thailand and PRC have begun their 1-week talks that will lead to a conclusion of a bilateral trade agreement and the signing of a protocol on investment cooperation. Heading the Thai trade subcommittee at the meeting is Deputy Director General of the Department of Foreign Trade Chatchawan Sukitchawanit, while the [word indistinct] subcommittee ie headed by Director General of the Department of Economic Affairs Danai Dulalampha. Thailand is expected to propose trade items similar to last year, including rice, tobacco, mung beans, sugar, synthetics, sewing equipment, fishmeal, and glass sheets. China is expected to offer to sell diesel oil. Thailand is expected to have a trade surplus with China this year. The actual trade figures are expected to meet the target set earlier for 1985. Investment by Thai firms in China includes fish stuff and glass sheet. The current meeting will run until 30 December. [Text] [Bangkok Domestic Service in English 0000 GMT 26 Dec 85] /9738

EEC, TAPIOCA EXPORT AGREEMENT--Thailand has decided to terminate the present agreement cn tapioca export to the European Economic Community. The decision was made during the Council of Economic Ministers' meeting on Monday [23 Dec]. Under the present agreement scheduled to expire at the end of next year, the maximum annual export quota of tapioca pellets from Thailand to the EEC has been set at 4.5 million tons annually. The meeting also discussed whether a proposed new quota of 21 million tons in 4 years is adequate. The proposed new quota is contained in a memorandum of understanding and a protocol which Commerce Minister Koson Krairoek and the vice president of EEC commission signed in Brussels early this month. If ratified, the protocol will replace the present agreement. However, without the denunciation of the present agreement before the end of this year, the agreement will also automatically be extended for another three years. [Text] [Bangkok Domestic Service in English 0000 GMT 25 Dec 85] /9738

POLICEMAN INJURED IN CLASH--Nan--A Thai border patrol policeman was wounded in a clash with Laotian troops who intruded into Huai Rao Village in Chiang Klang District of this northern province last night, a police source said this morning. The source said about 20 Laotian troops opened fire at the 524 patrol unit headquarters about 11:30 p.m., sparking off a 30-minute gunbattle with the Thai border patrol policemen. Pol Pvt Singthong Chakbu was hit by rocket shrapnel during the clash and rushed to a field hospital for treatment. [Text] [Bangkok BANGKOK WORLD in English 26 Dec 85 p 3 BK] /9738

PRINCE, 3D ARMY CHIEF--Lt Gen Ruamsak Chaikomin, the commanding general of the 3d Army Area, is a native of Kanchanaburi who says that he has retained the "accent and tone of voice" of a person from Kanchanaburi. The Crown Prince has honored him by visiting on several occasions. The home of Lt Gen Ruamsak is located on a small street in Kanchanaburi City. It is like most other rural houses. It was built several decades ago. While it is not a large house, it is very pleasant there because of all the plants. The owner loves plants and trees. The Crown prince has visited here on four previous occasions. He paid his fifth visit on 28 November when he came to open the Khwae River Bridge Festival. He had dinner at the house of Lt Gen Ruamsak. On his four previous visits, the Crown Prince was very casual and friendly. He said, that "coming here always makes me feel good." [Text] [Bangkok LAK THAI in Thai 21 Nov 85 p 6] 11943

TRADE TALKS VISIT ENDS--At the Bangkok airport this afternoon, Deputy Prime Minister Bhichai Rattakul bade farewell to ROK Deputy Premier Sin Pyong-Hyon at the end of his visit to hold trade talks with his Thai counterpart. The ROK deputy premier granted an interview at the airport during which he said his visit had helped to strengthen bilateral relations. He said he discussed the expansion of trade with Thailand, including trade in corn, rice, tapioca products, canned pineapple, and other items. Korea was interested in investing in Thailand's Eastern Seaboard Development Project. [Text] [Bangkok Domestic Television Service in Thai 1300 GMT 19 Dec 85 BK] /12712

CSO: 4207/110

VODK REPORTS SIHANOUK RECEPTION FOR ZHAO ZIYANG

BK201045 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 19 Dec 85

[Text] On the evening of 17 December, Samdech Norodom Sihanouk and his wife hosted a cordial reception in honor of His Excellency Prime Minister Zhao Ziyang at his residence in Beijing. Attending this reception, among Chinese honored guests, were His Excellency Zhao Ziyang, chairman of the Chinese State Council, His Excellency Ngapoi Ngawang Jigme, vice chairman of the National People's Congress Standing Committee; His Excellency Han Nianlong, director of the Chinese People's Institute for Foreign Policy, and his wife; His Excellency Liu Shuqing, deputy foreign minister, and his wife; His Excellency (Su Shen), deputy chief of staff of the People's Liberation Army; and many other Chinese personalities.

At this reception, the samdech president of Democratic Kampuchea made a speech expressing admiration and moving gratitude to His Excellency Zhao Ziyang for his efforts both inside and outside the country to defend the just cause of the Cambodian people and Democratic Kampuchea with staunch generosity and efficiency. Afterward, the samdech said the great and complete victory scored by the Democratic Kampuchean delegation led by the samdech himself, Prime Minister Son Sann, and Vice President Khieu Samphan during the official visit to the glorious PRC was the result of the high attention, the warm welcome with high political significance, the solemn declaration of the fine and indestructible solidarity, and the full support for the just cause of the resolute struggle of the Cambodian people for national liberation of His Excellencies Chairman Deng Xiaoping, His Excellency General Secretary Hu Yaobang, His Excellency President Li Xiannian, His Excellency Premier Zhao Ziyang, and the entire PRC. The samdech said the solemn declaration of the incomparable solidarity and support has drawn the attention of the entire world and has profoundly touched the Cambodian people and combatants on the battlefield and made them very happy.

The samdech said the fine result of the official visit to the PRC by the Democratic Kampuchean delegation will have a good influence on strengthening the CGDK position in the international arena and on the development and progress of the Cambodian people's armed struggle against the Vietnamese colonialist and aggressor forces. The samdech said whatever the Vietnamese colonialists are doing in Cambodia and whatever their maneuvers in the future, the unjust and arrogant Vietnamese will certainly not defeat the heroic Cambodian combatants. They will not be able to break the Cambodian people who firmly support the CGDK. They certainly cannot annex Cambodia. The samdech continued: The tripartite CGDK -- set up since 1982 -- will continue to unite and not just for a few years. The three nationalist groups will continue to be united always and strengthen unity and fraternal solidarity among themselves. They will continue to struggle relentlessly and uncompromisingly, and if necessary for the next 5 or 10 years, or longer, until the SRV agrees with us and implements the just UN resolutions on the Cambodian issue. Finally, on behalf of Democratic Kampuchea, the samdech expressed profound and forever casting gratitude to the glorious PRC, the renown Chinese leaders, the influential Chinese Communist Party, the noble Chinese Government, the glorious Chinese People's Liberation Army, and the great and courageous Chinese people for firmly and constantly supporting the Cambodian's people's just struggle against the Vietnamese aggressors.

Afterward, Premier Zhao Ziyang gave a return speech. After thanking the samdech and his wife for hosting this cordial reception in his honor, Zhao Ziyang said the samdech has led the Democratic Kampuchean delegation to pay a fully successful official friendship visit to the PRC. This visit is a new contribution to strengthening the militant solidarity among the three Cambodian nationalist groups and the traditional friendship which binds the Chinese and Cambodian peoples. This will have a good influence on the great struggle of the Cambodian people against the Vietnamese aggressors for national salvation. After praising the patriotic spirit of the samdech, Premier Zhao Ziyang continued: Under the samdech's leadership, the Cambodian armed forces and people have valiantly fought with high heroism and sacrifice against Vietnam's armed aggression and have received admiration from the entire international community. The Cambodian people's struggle against Vietnam's aggression for national salvation is an important part of the great struggle of people the world over against hegemonism to defend world peace. Justice is on the Cambodian people's side. People in the world have sympathy and provide support to the Cambodian people, who have a glorious fighting tradition and who cannot be broken. The Cambodian people unite and are tenacious and persistent in their struggle against Vietnam's aggression for national salvation and will certainly win in the end. Premier Zhao Ziyang concluded by saying that like before, the Chinese Government and people will continue to firmly and unswervingly support the Cambodian people's just struggle, and if necessary for another 5, 10, or 100 years, until the Cambodian people win complete victory. He expressed the conviction that an independent, peaceful, neutral, and nonaligned Cambodia will certainly emerge in Southeast Asia and the fraternal friendship between the Chinese and Cambodian people will be further strengthened and expanded in the common struggle against aggression to defend justice.

/12624
CSO: 4212/37

KHIEU SAMPHAN'S CONDOLENCES ON ROMULO'S DEATH

BK190946 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 17 Dec 85

[Text of 16 December "message of condolences from Khieu Samphan, Democratic Kampuchean vice president for foreign affairs, to Pacifico Castro, acting foreign ministers of the republic of the Philippines"]

[Text] Your Excellency:

I have heard with great sorrow and grief about the death of his Excellency Carlos Romulo at the age of 86.

During the long period when he successfully fulfilled his duty as the foreign minister of the Republic of the Philippines and a co-founder of the United Nations, His Excellency Carlos Romulo played a significant role in demanding the independence for his fatherland. Moreover, His Excellency Romulo had also supported the just cause of the oppressed people in the world and had particularly sided with the Cambodian people in their struggle against the Vietnamese aggression and occupation of Cambodia.

On this grievous occasion, on behalf of the people and the CGDK and in my own name, I would like to express my great grief and to join with you and the Philippine Government and people in mourning this death. The death of His Excellency Carlos Romulo is a great loss not only to the people of the Republic of the Philippines but also to the Cambodian people and other peoples in the world.

I bow my head in paying homage to the late excellency. Please convey my sincere condolences to the bereaved family.

Please accept my highest regards.

[Dated] Democratic Kampuchea, 16 December 1985

[Signed] Khieu Sampha, Democratic Kampuchean vice president in charge of foreign affairs.

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CSO: 4212/37

VODK: SIHANOUK CONDOLENCES ON DEATH OF ROMULO

BK201206 (Clandestine) Voice of Democratic Kampuchea in Cambodian
2330 GMT 20 Dec 85

[Text] To Mrs Carlos Romul, Manila, the Philippines: Today, my wife and I are very sad to hear about the death of your beloved husband, His Excellency General Carlos Romulo -- our beloved brother and the great friend of Cambodia.

On this grievous occasion, we would like to express to you and the family of the famous deceased our mournful emotion and condolences.

Through me, the CGDK would like also to extend most mournful condolences to you and the Government of the republic of the Philippines. The Cambodian people and I would like to join with the fraternal Philippine people and world's people in paying profound respects to the famous deceased, whose name will be inscribed in gold letters in the history of the Philippines and that of the world as a great patriot, a true hero of freedom, a great statesman who has served his country and people and the United Nations through his famous duty, and a father who has served all mankind.

Madame, please accept my heartfelt regards and lofty salutation.

[Signed] Norodom Sihanouk, president of Democratic Kampuchea

Beijing, 16 December 1985

/12624
CSO: 4212/37

THAI DAILY SAYS KPNLF SPOKESMAN DIED ON PRC VISIT

BK220130 Bangkok THE NATION in English 22 Dec 85 p 2

[Text] The "take-over" in the Khmer People's National Liberation Front (KPNLF) last week was not the only blow to Son Sannians this month. Before that, they were hit by the abrupt death of their spokesman.

The spokesman, Pen Thal, died in Peking early this month upon arrival at a get-together of the three top leaders of the Coalition Government of Democratic Kampuchea (CGDK).

Pen Thal was accompanying Son Sann, the KPNLF president and the CGDK prime minister, who was meeting with CGDK President Prince Norodom Sihanouk, also president of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] movement; and Khieu Samphan, president of the Khmer Rouge and CGDK vice president. The three coalition leaders were there to meet Chinese leaders on the eve of an expected Vietnamese dry-season offensive against the resistance in Kampuchea.

Bunsay, a Son Sannian, told THE NATION that Pen Thal fell down in the aircraft and was rushed to hospital for an operation. But the operation was unsuccessful and doctors said he died of hemorrhage, according to Pen Thal. [as published]

"You know, with the passing-away of Mr Pen Thal and the things that happened a couple of days ago...," he said.

/9738
CSO: 4200/456

CAMBODIA'S SIHANOUK ARRIVES IN HONG KONG FOR VISIT

HK230420 Hong Kong HONG KONG STANDARD in English 23 Dec 85 p 5

[Text] Prince Norodom Sihanouk arrived in Hong Kong on a surprise visit yesterday at the invitation of some local Cambodian businessmen.

He and his wife were greeted by local Chinese and ASEAN representatives at the airport.

Southeast Asian diplomats here said he arrived from China on a private visit for about 10 days.

Prince Sihanouk came amid reports of turmoil in one faction of his tripartite coalition government. But, he said, despite internal problems in Cambodian leader Son Sann's group, the coalition was united in fighting the Vietnamese troops.

He also praised Britain, China and the ASEAN countries for their consistent support for his coalition since 1979.

Prince Sihanouk recently visited Cambodian refugees in the United States, Europe, Australia and New Zealand. He said he wanted to forge closer links with the local Cambodian community here.

"Recently, our fighters are situated all around Phnom Penh, not far away from the capital. They are everywhere in our provinces attacking the Vietnamese troops. So Vietnam has to send in more and more troops into Cambodia," he said.

Meanwhile, the leaders of the Khmer People's National Liberation Front, said yesterday they remained in control of the group despite a splinter group's claim of a takeover."

/9738
CSO: 4200/456

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VOK COMMENTARY ON FAILURE OF SRV'S DEFENSE PLAN

BK200921 (Clandestine) Voice of the Khmer in Cambodian 0500 GMT 19 Dec 85

[Political commentary: "Failure of Vietnam's A-5 Policy"]

[Text] Since their invasion into and occupation of Cambodia at the beginning of 1979, the Vietnamese leaders have sought every means and set measures for implementation by the Vietnamese puppet regime in Phnom Penh in an attempt to fulfill their design to totally exterminate the Cambodian race.

At the beginning of 1985, the Vietnamese have set another plan for implementation by the Heng Samrin regime. This is called the A-5 plan. It is aimed particularly at successfully building a defense line along the Cambodian-Thai border in order to prevent the Cambodian resistance forces from crossing the border into the country, facilitate the sweep operations against the bases of the Cambodian resistance forces along the border, and infiltrate agents -- including women -- to seek information from the resistance groups. Wtopam and the Heng Samrin regime have not publicized this plan among the Cambodian citizens. They only ordered the important cadres of the Heng Samrin regime in various provinces to secretly implement this plan. This is why during the first stage, that is at the beginning of 1985, we saw that Vietnam launched successive large-scale offensives against various bases of the CGDK's resistance forces with an aim of totally sweeping up the Cambodian resistance movements. But, Vietnam could not fulfill this dream. It could not smash the Cambodian resistance forces once and for all as expected. On the contrary, the Vietnamese offensive against bases of the Cambodian resistance forces was just like hitting a wasp's nest. This means that after the Vietnamese attacked their bases, the Cambodian resistance forces divided themselves into small groups and infiltrated deep inside the country to launch vigorous activities against the Vietnamese, thus causing more serious difficulties to the Vietnamese.

In the second stage, the Vietnamese have forcibly mobilized thousands and even tens of thousands of Cambodian citizens from various provinces and sent them to the western border of the country to clear brush, build dikes, and erect fences to seal off the borer in order to prevent the Cambodian resistance forces from entering the interior of the country. Due to this mobilization, the Cambodian citizens have suffered from various diseases such as diarrhea and malaria or from chronic illnesses due to lack of medicine. Some others were killed or maimed by landmines.

The Vietnamese have not paid attention to these sufferings of our Cambodian citizens. On the contrary, they have continued to force the Cambodian people to clear brush and build fences along the border. However, no matter how hard they will try further, the Vietnamese will neve be able to realize their plan. This is because they have to contend with nibble attacks by our Cambodian resistance forces in addition to suffering from malaria and disturbances caused by the Cambodian citizens who are unhappy with the Vietnamese forcing them to work at the border.

A few weeks ago, many leaflets were seen in Phnom Penh. The leaflets noted that the forcible mobilization of the Cambodian citizens to work at the border is the most barbarous and cruel policy. An official among the high-ranking officials of the Heng Samrin regime who attended a high-ranking meeting with the Vietnamese revealed that the Vietnamese are beginning to worry about the anger of the Cambodian citizens who are unhappy with and have reacted to the Vietnamese mobilization of Cambodian citizens to work at the border. He said that the Vietnamese are considering whether to give up this plan. The vietnamese official newspaper NHAN DAN has also admitted that the Vietnamese forces and the Cambodian civilians who have been forced to work at the border in an attempt to seal off the Cambodian-Thai border have encountered many difficulties, particularly from the nibble attacks by the Cambodian resistance forces and a new type of malaria which cannot be cured by medicines produced in Cambodia. The Cambodian citizens are afraid of this disease more than the Vietnamese. NHAN DAN also stated that the Cambodian resistance forces have often launched attacks in the border areas where the fences are being built. During daytime, the resistance forces hide themselves in the woods or mingle among the people and at night they come out and plant mines on the roads. A recent report from Hanoi revealed that Vietnam has admitted its failure regarding its attempt to seal off the Cambodian-Thai border. Out of the total length of 720 km, the Vietnamese have so far been able to build a border defense line of only 100 km. Vietnam has also admitted that the border fences are made up of nothing but poles and minefields. Such a fence cannot prevent the Cambodian resistance forces from crossing the border into Cambodia. Therefore, it can be said that the Vietnamese have suffered total failure in this A-5 plan. The plan has given the Vietnamese so much difficulties due to opposition by the Cambodian citizens. If all Cambodian citizens oppose this plan, refuse to work at the Vietnamese's order, and turn to join hands with the resistance forces, the Vietnamese will certainly be compelled to give up this A-5 plan. Finally, the Vietnamese will not be able to occupy Cambodia.

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CSO: 4212-37

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VODK COMMENTARY ON METHOD OF ATTACKING VIETNAMESE

BK210716 (Clandestine) Voice of Democratic Kampuchea in Cambodian
2330 GMT 20 Dec 85

[Station commentary: "During this 8th Dry Season Our National Army and Guerrillas Will Pay Close Attention to Dispersing and Annihilating the Commune and Village Administrations of the Vietnamese Enemy and Releasing the Cambodian Soldiers Forcibly Drafted by the Vietnamese Aggressors"]

[Text] The 8th dry season has started and we are almost in the 3d month of this season. Our National Army and guerrillas throughout the country have continued to attack the Vietnamese aggressors through the five new methods with great vigor, ingenuity, and constant initiative since the rainy season. During this 8th dry season, our National Army and guerrillas have paid particular attention to the first and second methods in their attacks against the Vietnamese enemy aggressors; namely, they have been very successful in dispersing and annihilating the commune and village administrations of the Vietnamese aggressors and releasing the Cambodian soldiers forcibly drafted by the Vietnamese aggressors to serve their war of aggression.

According to reports received from all battlefields throughout the country, during the more than 2 months at the beginning of the 8th dry season, that is, from October to mid-December, our National Army and guerrillas dispersed or annihilated the Vietnamese administrative apparatuses in more than 107 communes and liberated more than 160 villages from the battlefields in the interior of the country, including various districts adjacent to Phnom Penh. After dispersing and annihilating the Vietnamese commune and village administrations, our National Army usually met and had talks with the fraternal administrators and militiamen forcibly appointed by the Vietnamese to serve them, discussing the policy that Cambodians must not attack fellow Cambodians and Cambodians must unite against the Vietnamese aggressors to preserve the Cambodian nation and race. After the talks, we allowed the brothers to return to their home. This brought satisfaction and elation to our people who have been living in the zone controlled by the Vietnamese aggressors and who have suffered boundlessly from the savage and brutal domination, oppression, persecution, arrest, and massacre of the Vietnamese aggressor regime for the past more than 7 years. This campaign to disperse and annihilate the Vietnamese enemy aggressors' commune and village administrative apparatuses everywhere in the country is of strategic importance.

First, dispersing and annihilating the Vietnamese enemy aggressors' administrations in the communes and villages means cutting their food supplies at the roots, disabling them from looting rice and grains from our people to feed their troops.

Second, in so doing, we have hit the Cambodianization policy [of recruiting Cambodians to fight Cambodians] of the Vietnamese enemy aggressors, preventing them from drafting our youths and people at will and from mobilizing our people to work in their service in the western border regions.

Third, this also constitutes an encouragement for our people, especially those in the interior who have suffered so much from the multiform crimes of the genocidal Vietnamese enemy aggressors. This makes our people clearly aware of and confident in the fighting force of our National Army and guerrillas and makes them ready to rise more vigorously in unison with our army and guerrillas in the struggle against the Vietnamese aggressors.

Therefore, in one word, dispersing and annihilating the Vietnamese commune and village administrations is to cut off the fundamental root of the Vietnamese enemy aggressors in Cambodia and to liberate our people from the Vietnamese aggressors, especially their political liberation.

Along with dispersing and annihilating the Vietnamese administrative apparatuses as cited above, our National Army and guerrillas have also paid attention to releasing the Cambodian soldiers forcibly set up by the Vietnamese enemy aggressors, mainly through political means. In fact, after our National Army and guerrillas has dispersed and annihilated the Vietnamese commune and village administrations, we usually talked with the fraternal Cambodian soldiers wherever possible, discussing the policy that Cambodians must not fight each other and must instead unite against the Vietnamese aggressors to preserve the nation and race, and released them to go home in whole units. For example, on 10 November when we swept the Vietnamese aggressors on route 6 from Angkrong Market to Roka Kambot village in Sot Nikom District, Siam Reap Province, our army and guerrillas had talks with a company of fraternal Cambodian soldiers and let all of them go home. On 18 November, we dispersed and annihilated the Vietnamese administrations from Sre Sen village to Rohat Toek village in Bavel District, Battambang Province, and released a company of fraternal Cambodian soldiers. Moreover, we have also released Cambodian soldiers individually, in groups, in units, and in droves everywhere.

This release of the Cambodian soldiers in addition to their desertions from the Vietnamese aggressors and the growing instances of their mutinies against the Vietnamese everywhere constitutes a hard blow to the Vietnamese enemy's Cambodianization policy in Cambodia, seriously crippling an important part of the Vietnamese enemy's auxiliary forces, causing a serious shortage in troops to the Vietnamese, making them more reluctant, and bogging them more inextricably in the Cambodian battlefield.

Clearly grasping the importance of the attacks to disperse and annihilate the Vietnamese aggressors' commune and village administrations and to release Cambodian soldiers, our National Army and guerrillas pledge to step up activities to attack the Vietnamese aggressors through the five new methods more vigorously and ingenuously, concentrating mainly on the first and second methods and also implementing well the third method of attack to create conditions for successful attacks through the fourth and fifth methods in order to pin down the enemy troops, destroying the forces of the Vietnamese, and doing away as much as possible with their war material and food supplies.

Cadres and combatants of our National Army in all battlefields throughout the country pledge to continue to unite as one body with the Cambodian people in conducting activities against the Vietnamese enemy through the five new methods more effectively to seize more and greater victories over the Vietnamese enemy until final victory is won over the genocidal Vietnamese enemy aggressors.

/12624
CSO: 4212/37

CLANDESTINE RADIOS REPORT BATTLEFIELD ACTIVITIES

Battle Reports for 6-19 Dec

BK200745 [Editorial Report] (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian [VONADK] broadcasts the following battle reports for the reporting period 6-19 December:

VONADK at 2315 GMT on 6 December reports that Democratic Kampuchean troops ambushed a Vietnamese company on the South Sisophon battlefield on 3 December. Another Vietnamese company was also ambushed in Chhuk District, Kampot Province, on 27 November. From 13 November to 4 December, DK troops killed or wounded 74 Vietnamese enemy soldiers on the South Sisophon, North Sisophon, North Battambang, Siem Reap, Ratanakiri, Koh Kong Leu, and Kompong Speu battlefields, destroying 7 guns and some military materiel, and seizing 1 gun and some ammunition and some materiel.

According to VONADK at 2315 GMT on 7 December, DK combatants launched military operations against Vietnamese soldiers on the South Sisophon, Leach Mondolkiri, Preah Vihear, Siem Ta, and Kampot battlefields, killing 63 Vietnamese enemy soldiers and wounding 78 others. They destroyed six guns and some ammunition and materiel. They also seized some ammunition and weapons.

VONADK at 2325 GMT on 8 December reveals that the Vietnamese commune administrative network in Moung District, Battambang Province, was disrupted on 3 December. A Vietnamese position was attacked on the Kompong Thom battlefield on 30 November. Railroad tracks on the Kompong Chhnang battlefield were destroyed on 2 December. From 21 November to 6 December, DK troops killed 50 Vietnamese enemy soldiers and wounded 58 others on the Siem Reap, Samlot, Moung-Pursat, Pailin, South Sisophon, and Leach battlefields. They destroyed 6 weapons, a C-25 radio, a commune office, 3 trucks, 80 meters of railroad tracks, 28 barracks, and some materiel. They also seized 31 weapons and a quantity of ammunition and military materiel.

VONADK at 2315 GMT on 9 December states that four villages were liberated in Sangke District, Attambang Province, on 6 December. People were freed in Kompong Trach District, Kampot Province. Vietnamese troops were attacked in Stoeng Trang District, Kompong Cham Province. A group of Vietnamese soldiers was attacked on the Koh Kong Leu battlefield. A Vietnamese company position was attacked in Kompong Cham Province. Between 2 and 6 December, DK troops killed or wounded 57 Vietnamese enemy soldiers on the Kampot, Koh Kong Leu, Pursat, and Kompong Cham battlefields. They destroyed five weapons, three commune offices, two trucks, and some materiel. They also seized some weapons, ammunition, and materiel and liberated four villages.

VONADK at 2315 GMT on 10 Decmeber notes that several Vietnamese soldiers were killed during a 6 December attack on the North and South Sisophon battlefields. A Vietnamese position was attacked in Baribo District, Kompong Chhnang Province, on 5 December. Railroad tracks were destroyed on the Kompong Som battlefield on 30 November and in Baribo District, Kompong Chhnang Province, on 4 December. Vietnamese soldiers were ambushed in Kompong Svay District, Kompong Thom Province, on 2 December and in Baray District on 7 December. A Vietnamese platoon was ambushed on the South Sisophon battlefield on 5 December. Between 30 November and 8 December, DK troops killed or wounded 85 Vietnamese enemy soldiers on the Moung-Pursat, Kompong Som, North Battambang, South Sisophon, and Kompong Thom battlefields. They destroyed weapons, railroad tracks, a truck, and some military materiel. They also seized some materiel.

VONADK at 2315 GMT on 11 December states that Vietnamese boats were ambushed in Ponhea Loe District, Kandal Province, on 5 December. Between 5 and 8 December, Vietnamese regiments were ambushed on the South Battambang battlefield. A Vietnamese truck was ambushed on the Samlot battlefield on 6 December and a Vietnamese platoon was also ambushed on the same day. Vietnamese soldiers were attacked on the Kratie battlefield on 17 November. Between 17 November and 9 December, DK forces killed 107 Vietnamese soldiers and wounded 111 others on the Pailin, South Sisophon, Samlot, Koh Kong Leu, Kratie, and North Phnom Penh battlefields. They destroyed 13 weapons, a truck, 3 boats, a telegraphic machine, and some war materiel. They also seized some weapons and materiel.

VONADK at 0500 GMT on 14 December says that DK troops attacked (Santich) commune office, Stoeng Trang District, Kompong Cham Province, on 9 December. DK combatants attacked Dan Tung commune office, Tuk Meas District, Kampot Province, on 8 December. They attacked Chaong Maong commune office, Toek Phos District, Kompong Chhnang Province, on 3 December. They attacked and cut five sections of railroad track in Kompong Tralach District, Kompong Chhnang Province, on 8 December. DK combatants attacked and cut six sections of railroad track totaling 200 meters on the Moung-Pursat battlefield on 7 December. A total of 200 meters of railroad track were also cut on the Moung-Pursat battlefield on 10 December. A Vietnamese battalion and company were ambushed on the South Sisophon battlefield on 8 December. A Vietnamese truck was ambushed on Route 4 on 6 December. A Vietnamese truck was ambushed in an area east of Pich Nil, Route 4 battlefield, on 7 December. Another Vietnamese truck was also ambushed near Sre Khlong, Route 4 battlefield, on 7 December. A Vietnamese position at Sre Prang, North Sisophon battlefield, was attacked on 2 December. From 1 to 12 December, DK troops killed or wounded 299 Vietnamese enemy soldiers on the North Sisophon, Koh Kong Leu, Samlot, Siem Ta, Pailin, Moung-Pursa,t Kompong Chhnang, Kampot, Route 4, South Sisophon, Leach, and Kompong Thom battlefields. They destroyed 32 assorted guns, 2 military barracks, 3 trucks, and a quantity military materiel. They cut 17 sections of railroad track for a total of 505 meters. They seized 12 guns and some ammunition and military materiel. They liberated four villages on the Kompong Cham battlefield and two others on the Kampot battlefield.

According to VONADK at 0500 GMT on 15 December, DK troops ambushed a Vietnamese company at Thvea Bak Nim, Tram Kak District, Takeo Province, on 8 December. DK combatants ambushed a Vietnamese company at O Pul, Mondolkiri Province, on 9 December and a Vietnamese platoon north of Kompong Seila, Route 4 battlefield, on 12 December. A Vietnamese platoon was ambushed on Phnum Toy road, Kampot District, Kampot Province, on 10 December. From 1 to 10 December, DK troops killed or wounded 51 Vietnamese enemy soldiers on the Kampot, Tonle Sap, and Kompong Thom battlefields. They destroyed three guns and a quantity of ammunition and military materiel. They also seized some guns, ammunition, and military materiel.

VONADK at 2315 GMT on 15 December reports that two commune offices were attacked by DK troops in Samraong District, Oddar Meanchey Province, on 6 December. Kompong Seila commune office was attacked on 11 December by DK combatants on the Kompong Som battlefield. A commune office was attacked on 8 December by DK troops in Thmar Puok District, North Sisophon battlefield. DK troops attacked a commune office in Sangke District, East Battambang battlefield, on 9 December. A Vietnamese regiment was ambushed by DK troops on the South Sisophon battlefield on 12 December. A Vietnamese position on the Leach battlefield was attacked on 14 December. A Vietnamese company on the Mondolkiri battlefield was attacked on 12 December. A Vietnamese truck was ambushed at O Sandan, Route 5, Battambang Province, on 12 December. A Vietnamese truck was also ambushed in Samroang District, Oddar Meanchey Province, on 2 December.

From 4 to 14 December, DK troops killed or wounded 238 Vietnamese enemy soldiers on the South Sisophon, Mondolkiri, Kompong Thom, Oddar Meanchey, North Sisophon, South Battambang, West Battambang, and Siem Ta battlefields. They destroyed 8 guns, 5 commune office bildings, 28 military barracks, a rice storehouse, 2 trucks, and a quantity of military materiel. They seized 10 guns and some ammunition and military materiel. They also liberated two villages on the Kompong Som battlefield.

VONADK at 2315 GMT on 16 December says that DK troops attacked Tang Kouk township, Baray District, Kompong Thom Province, on 13 December. DK combatants attacked a commune office in Udong District, Kompong Speu Province, on 10 December. DK troops attacked a commune office in Memot District, Kompong Cham Province, on 14 December. A commune office was attacked in Stoeng Trang District, Kompong Cham Province, on 8 December. A truck was ambushed on the Koh Kong battlefield on 13 December. Vietnamese troops were ambushed on the Siem Ta battlefield on 13 December. An artillery position on the Siem Ta battlefield was attacked on 9 December.

From 7 to 12 December, DK troops killed or wounded 122 Vietnamese enemy soldiers on the South Sisophon, Koh Kong Leu, Kratie, Kompong Cham, Kompong Chhnang, Kampot, and Siem Ta battlefields. They destroyed 14 guns, 4 commune office buildings, and a quantity of military materiel. They seized nine guns and some ammunition and military materiel and liberated four villages on the Kompong Cham battlefield.

According to VONADK at 2315 GMT on 18 December, commune authorities in Stoeng Tran District, Kompong Cham Province, were attacked on 13 December. The commune authorities in Baray District, Kompong Thom Province, were attacked on 15 December. The railroad track was destroyed on the Moung-Pursat battlefield on 14 December. A Vietnamese convoy was ambushed on Route 12 in Preah Vihear Province, on 9 December. A supply convoy was attacked on the Kompong Som battlefield on 13 December.

Between 9 and 14 December, DK forces killed 37 enemy soldiers and wounded 61 others on the Chhep, Mondolkiri, Kompong Cham, and Siem Ta battlefields. They destroyed 29 weapons, 3 jeeps, 7 trucks, 96 meters of railroad track, a commune office, a Vietnamese expert's house, and some ammunition and materiel. They seized four weapons and ammunition and military materiel. They also liberated five villages on the Kompong Cham battlefield.

VONADK at 2315 GMT on 19 December discloses that a Vietnamese battalion was attacked on the Pailin battlefield on 15 December. Between 6 and 15 December, DK troops killed 67 and wounded 83 enemy soldiers on the Pailin Kompong Speu, Moung, Kompong Thom, and Kampot battlefields. They destroyed 15 weapons, 3 trucks, and some ammunition and materiel. They also seized eight weapons and a quantity of ammunition and military materiel.

SRV Position in Koh Kong Attacked

BK210248 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 20 Dec 85

[Text] At 0530 on the morning of 19 December, our commandos attacked and liberated a Vietnamese battalion position at Prek Pika village west of Koh Kong town. After 20 minutes of fighting, we comlpetely liberated the position, killing 35 Vietnamese soldiers and wounding 25 others, destroying 15 AK's, 8 AR-15's, 8 SKS's, 3 RPD's, 2 M-30's, 4 M-79's, 1 60-mm mortar, 1 12.7-mm machinegun, 1 ammo depot, 30 barracks, 9 large Vietnamese houses, and a large quantity of ammunition and war materiel; and seizing 28 assorted weapons, including 3 AK's, 17 SK's, 2 B-40's, 1 B-41, 1 DK-82, 1 82-mm mortar, 2 AR-15's, 1 pistol, 1 C-25 walkie-talkie, 12 rucksacks, and some war materiel.

At the same time, we fired 20 107-mm rockets into Koh Kong town, killing or wounding some Vietnamese aggressors inside Koh Kong town and causing panic among the survivors who fled helter skelter by boats into the open sea.

/12624
CSO: 4212/37

SIHANOUK COMMENTS ON ATTITUDE TOWARD KHMER ROUGE

HK260438 Hong Kong SOUTH CHINA MORNING POST in English 26 Dec 85 p 5

[Text] Prince Norodom Sihanouk has learned to live with his Khmer Rouge partners--although he blames them for slaughtering his family during the Pol Pot years of "Killing Fields" infamy.

But dressed in a stylish blue suit ("I get my cloth from Paris", he explained) the Prince said he had no axe to grind with the communists.

"You know, I had personally no problems with them," he said from a luxury suite in the Mandarin Hotel in Hong Kong. "Yes, they kept me under house arrest but I had no complaints.

"I had complaints about the mistreatment inflicted and the killings inflicted by them on my people, on so many innocent people, including five children of mine and 14 grandchildren of mine.

"That was the problem which separated us."

Prince Sihanouk also believes that Pol Pot, who retired in September in favor of Mr Khiu Samphan, is still firmly in control of the Khmer Rouge.

"They pretend that Pol Pot is now retired, but I am more or less suspicious about it. I think that Pol Pot remains the actual chief of the movement and of the army."

The Prince also conceded that a proportion of the Cambodian population still supported the despot, whose four-year reign of terror is estimated to have claimed the lives of about two million people.

"There is one part of the nation that is communist. These people continue to support Pol Pot. Pol Pot is charismatic and he is the ablest military chief.

Among (some) Cambodians, I must confess, he is still number one."

Prince Sihanouk plans to stay in Hong Kong until 2 January. The trip, he said, was his annual holiday for which the Chinese Government had agreed to foot the bill.

But, according to the Prince, there is scant time for royal leisure.

"Every day, you know, I have appointments and I have not time to have fun," he lamented on a Christmas morning in Hong Kong.

/9738
CSO: 4200/456

SIHANOUKIST ARMY SPOKESMAN ON REINFORCEMENT

BK260145 Bangkok THE NATION in English 26 Dec 85 p 5

[Text] A reinforcement of more than 1,000 guerrillas of the National Sihanoukist Army (ANS) will be sent into several provinces in Kampuchea to impede the anticipated Vietnamese dry season offensive against the Khmer Resistance groups, an ANS spokesman said.

The spokesman claimed a total of 5,972 ANS guerrillas are currently operating in Battambang, Kampong Cham, Kampong Chhnang and Siem Reap provinces, especially around the Kampuchean great lake of Tonle Sap, and the Kampuchean capital of Phnom Penh.

He said a reinforcement of 1,462 guerrillas will assist the ANS guerrillas, currently operating in the Kampuchean interior, to hinder a Vietnamese plan to seal off the Thai-Kampuchean border and to disrupt their plan for the dry season offensive.

The spokesman said the penetration of the ANS guerrillas inside Kampuchea is to avoid heavy fighting on the Thai-Khmer border.

He said the ANS guerrillas' activities will be aimed at destroying the Vietnamese ammunition or supply depots and cutting logistic supply routes from the interior to the Thai-Kampuchea border.

According to the ANS spokesman, the ANS plans to increase its armed guerrillas from a current number of about 11,300 to 16,000 next year.

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CSO: 4200/456

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

SRV UNIT REPORTEDLY USING CHEMICAL GRENADES

BK150103 Bangkok THE NATION in English 15 Dec 85 p 2

[Text] The Vietnamese recently stepped up biochemical warfare against Khmer resistance forces in Kampuchea with a unit of about 900 troops specialized in the warfare having been sent from their base in Pursat to repress the resistance guerrillas, the [Thai] Supreme Command charged yesterday.

The biochemical warfare unit is armed with Soviet-made smoke grenades which release poisonous smoke upon exploding, according to a press release from the Information Office of the Supreme Command.

It is said there were two types of the grenades which contain no shrapnel. The first type produces white smoke which causes loss of consciousness, while the other contains a black chemical that impairs the nervous and respiratory systems. People who inhale large amounts of the black chemical can be killed, according to the release.

It said that the two types of grenades had been used in Preah Vihear, Koh Kong and Battambang. The 900 Vietnamese troops have been dispatched to Anlung Veng District in Kampuchea to repress the resistance guerrillas.

However, Supreme Commander Gen Athit Kamlang-ek told reporters yesterday that laboratory tests of samples of the chemicals had so far yielded no conclusive evidence that the handgrenades contain toxic chemicals.

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CSO: 4200/456

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VODK ON POVERTY CAUSED BY SRV AGGRESSION

BK210827 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 19 Dec 85

[Station commentary: "Current Poverty and Suffering in Cambodia are Caused by the Hanoi Vietnamese War of Aggression and Race Extermination"]

[Text] This year in Cambodia famine, poverty, and suffering have reached a new height. According to reports from all circles throughout the country, our people currently living in zones temporarily controlled by the Vietnamese enemy generally lack food supplies. In some areas our people have only rice soup mixed with corn, potatoes, or leafy vegetables to eat. Sometimes, there is no rice and our people eat boiled potatoes instead, but we do not have even this in sufficient quantity. This has caused our people to be affected by many diseases, such as swollen body, fever, jaundice, and many others. Elderly people and children in particular have died. This shortage of food exists not only in rural areas; even in Phnom Penh it is strongly left. Employees of various international humanitarian aid agencies who have been in and out of Phnom Penh have talked about and are aware of this problem in the city. This is the place the Hanoi Vietnamese have paid attention to form their deceitful propaganda. As for our people's clothes, particularly in rural areas, they are like rags. Generally speaking, men do not have a shirt to wear. In some places, like Takeo, Kampot, and Kompong Speu Provinces, many women have to wear shorts.

Our Cambodian people have never encountered this kind of situation in their millenium of history. What are the causes of this deteriorating situation?

1. It is because of the Hanoi Vietnamese war of aggression in Cambodia. From 1983 in particular, the Hanoi Vietnamese enemy aggressors have drafted our people on a large scale -- up to many hundreds of thousands -- to clear bushes and build roads and barracks in western Cambodia along the Thai border. Our people who have been drafted for this purpose not only cannot work their fields to sustain their families but also many have died because of mines, artillery shells and malaria.

2. The meagre amount of rice and paddy cur people have managed to produce has been taken by the Vietnamese aggressors to store in common granaries located in various positions and administrative seats of the Vietnamese

with the promise that this paddy and rice will be distributed back to our people for consumption. In fact, the Vietnamese have plundered this to feed Vietnamese troops and nationals who have been sent in increasing numbers to settle in Cambodia. Normally, our peasants use their paddy and rice to barter. Now that this has been taken by the Vietnamese, what do our people have left to barter for clothes and everyday utensils? This is the main cause of the current hardship, suffering, and famine in Cambodia. It is because the Vietnamese enemy has plundered our people's rice and paddy and deprived our people of their time to produce foodstuff. These activities are part of the Vietnamese policy to exterminate the Cambodian race in Cambodia along with many other great and barbarous crimes such as summary execution, use of toxic chemicals, accusation, arrest, and execution.

So, as long as the Hanoi Vietnamese do not end their war of aggression and race extermination in Cambodia, famine, poverty, and suffering in the country cannot be resolved. We therefore appeal to the international community to continue to pressure Vietnam in every field -- political, diplomatic, economic, and other fields -- to force the Hanoi Vietnamese to withdraw all their forces unconditionally from Cambodia to let the Cambodian people decide their own affairs. And once Vietnam withdraws all its aggressor forces from Cambodia, all problems there, including famine, will be automatically and definitely resolved.

/12624
CSO: 4212/37

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

BRIEFS

CHINA CONTINUES SUPPORT--During a meeting with Democratic Kampuchean President Samdech Norodom Sihanouk in Beijing on 17 December, Chinese Premier Zhao Ziyang affirmed that China will continue to support the Cambodian people's struggle until final victory. After the withdrawal of Vietnamese forces, Cambodia will become independent, neutral, and nonaligned. [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 18 Dec 85 BK] 12624

CSO: 4212/37

PEOPLE'S REPUBLIC OF KAMPUCHEA

HUN SEN RECEIVES BRITISH-VIETNAM ASSOCIATION

BK200325 Phnom Penh SPK in English 1101 GMT 19 Dec 85

[Text] Phnom Penh SPK 19 Dec--Hun Sen, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee, premier and foreign minister, received in Phnom Penh Wednesday morning a delegation of the British-Vietnam Association led by Vice Chairman David Yuille.

During friendly talk Hun Sen said he hoped the visit of the delegation would bring about a better understanding of the real situation in Kampuchea. He thanked the British-Vietnam association for its support to the just struggle of the Kampuchean people against imperialism hegemonism and expansionism.

Joan Yuille, general secretary of the association, spoke of what she had seen in Kampuchea. She said that the orphanages, the Tuol Sleng museum of genocide, the mass graves all testified to the great sufferings of the Kampuchean people under the rule of the Pol Pot clique.

She hailed the revival of the Kampuchean people under the leadership of the People's Revolutionary Party of Kampuchea and promised to tell the public of the facts in Kampuchea.

While in Phnom Penh, the delegation also visited a pharmaceutical workshop, the "liberation" cigarettes factory and the former royal palace. It left Phnom Penh Thursday morning after a four-day visit.

/9738
CSO: 4200/457

SPK COMMENTARY HAILS INDIA'S SUPPORT FOR PRK

BK180918 Phnom Penh Domestic Service in Cambodian 1300 GMT 7 Dec 85

[SPK commentary: "India Has Consistently Pursued a Policy of Peace"]

[Text] India's bond of solidarity with the Cambodian people in her resolution to help rebuild the devastated country was reaffirmed by Prime Minister Rajiv Gandhi at a luncheon hosted by Comrade VCP Central Committee General Secretary Le Duan in Hanoi on 27 November. That statement clearly showed India's firm adherence to a policy of peace and nonalignment founded by the late Prime Minister Jawaharlal Nehru and upheld by his daughter, the popular and influential Mrs Indira Gandhi, and his energetic grandson, Rajiv Gandhi.

Since the day India was steered toward independence in 1947 by her pacifist leader Mahatma Gandhi, India has always pursued a policy of peace and nonalignment. This country has consistently supported the people fighting for national independence, the national liberation movement, the right to self-determination of all nations, and the Nonaligned Movement against colonialism, neocolonialism, expansionism, and imperialism. India has also stood firmly behind the idea of turning the Indian Ocean into a nuclear-free zone. More particularly, India has constantly supported the Cambodian people and other peoples in the Indochinese peninsula in their persistent struggle against colonialism, militarism, imperialism, and, recently, hegemonism. India's recognition of the PRK on 8 July 1979 vividly testified to this courageous stand.

Under the enlightened leadership of the Congress Party headed by Rajiv Gandhi, the Indian people are successfully furthering the cause fostered by Mrs Indiar Gandhi, the great and true friend of the Cambodian people.

We take this opportunity to express our gratitude to the Indian people for the support they have accorded our just cause in building the devastated land of Angkor which has maintained a time-honored cultural link with India.

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CSO: 4212/38

PEOPLE'S REPUBLIC OF KAMPUCHEA

NGUON NHEL LEADS DELEGATION TO HUNGARIAN EMBASSY

BK210010 Phnom Penh Domestic Service in Cambodian 0430 GMT 20 Dec 85

[Text] On the afternoon of 19 December, a delegation of the party and the state led by Comrade Nguon Nhel, alternate member of the party Central Committee Political Bureau and secretary of the provisional Phnom Penh party committee, went to the Hungarian Embassy to pay respects to the memory of Comrade Istvan Olah, member of the Hungarian Socialist Workers Party Central Committee and minister for national defense, who died on 15 December at the age of 59 of heart disease.

In the name of the entire PRK party, government, army, and people, Comrade Nguon Nhel expressed condolences and grief to Comrade-in-Arms Istvan Olah, who was a noble son of the Hungarian Socialist Workers Party and a valiant and courageous combatant who firmly fought against the enemies. He sacrificed his physical and moral strength for the party until the final day of his life for the cause of socialism and world peace.

On the same day, the delegation of the Ministry of National defense led by Comrade Meas Kroch, deputy minister of national defense, and the delegation of the Foreign Ministry led by Comrade Kong Korm, member of the party Central Committee and first deputy foreign minister, and comrades ambassadors extraordinary and plenipotentiary of various friendly countries to the PRK also laid wreaths to pay respect to the memory of Comrade Istvan Olah at the Hungarian Embassy.

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CSO: 4212/38

KHIM PON ATTENDS CLOSING OF DEFENSE CONFERENCE

BK190709 Phnom Penh Domestic Service in Cambodian 0430 GMT 17 Dec 85

[Text] A ceremony was held at the Phnom Penh Theater on 14 December to close the conference on defense work which was held successfully for 2 days.

During the conference, participants listened attentively to reports made by representatives of various offices, mass organizations, factories, enterprises, and wards, all of which described strong points, weak points, and experience in defense work for stimulating the revolutionary movements toward all-round progress and for ensuring a stable life for the Phnom Penh inhabitants. The reports also stressed the strong combat will of the Phnom Penh people in their efforts to crush all psychological warfare maneuvers and evil phenomena.

In his speech, Comrade Khim Pon, deputy secretary of the Phnom Penh Municipal Provisional Party Committee and deputy minister of the interior, praised cadres, personnel, workers, and people who have contributed their mental and physical strength to the revolutionary movement, thus bringing prosperity in all aspects to Phnom Penh -- the heart of our PRK.
The comrade added: all sectors and all units must make further efforts in fulfilling all important plans relating to the defense task in order to defend all the achievements we have made. Each locality must mobilize its combined forces for combating the enemy, cooperate with the provinces bordering Phnom Penh, and enhance solidarity, friendship, and cooperation with the Vietnamese friends in particular since this is the factor deciding all victories of the Cambodian revolution.

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CSO: 4212/38

PEOPLE'S REPUBLIC OF KAMPUCHEA

MEN SAM-AN ADDRESSES POLITICAL-THEORETICAL COURSE

BK180854 Phnom Penh Domestic Service in Cambodian 1300 GMT 11 Dec 85

[Text] The fourth political-theoretical course for 488 trainees was closed at the Central Political School in the afternoon of 10 December after 6 months of successful training. Comrade Pav Hamphan, vice chairman of the Central Propaganda and Education Commission, highly valued the outcome of the training course. He said that despite its short period, the course helped the trainees to understand their tasks for revolutionary activities and to link implementation to the law of objectivity.

Also speaking on that occasion, Comrade Mrs Men Sam-an, member of the party Central Committee Political Bureau and chairman of the Central Organization Commission, and Comrade (Tran Phuoc Tyuen), deputy head of the experts group attached to the Central Propaganda and Education Commission, stressed that this political-theoretical course created a fundamental condition for the research on the resolutions of the fifth party congress and, through that, helped the trainees to fathom the working-class stand and to analyze friend-foe realities, and made clearer to the trainees the meaning of party and people and the need for cadres to temper their revolutionary ethics. They also stressed that at present we still have difficulties left behind by the genocidal regime. For this reason, all trainees from all departments and units must strive to exert efforts once they are back in their bases to accelerate the revolutionary cause by rapidly doing away with as many difficulties as possible in accordance with the remarks of Comrade General Secretary Heng Samrin, who said that the correct behavior toward the people is a requirement for tempering oneself and is a trait of revolutionary cadres.

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CSO: 4212/38

PEOPLE'S REPUBLIC OF KAMPUCHEA

SOVIET WOMEN LECTURERS CALL ON CHEA SIM, LEAVE 23 DECEMBER

BK250951 Phnom Penh SPK in English 1106 GMT 24 Dec 85

[Text] Phnom Penh, 24 Dec (SPK)--Chea Sim, Politburo member of the Central Committee of the People's Revolutionary Party of Kampuchea and chairman of both the National Assembly and the National Council of the United Front for Construction and Defense of the Kampuchean Fatherland, received a group of Soviet lecturers at Chamka Mon guest house, in Phnom Penh Monday [23 December].

The group, which arrived in Phnom Penh Monday for a friendly visit, was led by Galina Semenova of the Soviet women's committee.

Speaking to his guests Chea Sim expressed his delight at the visit which, he said, would help strengthen cooperation between the women of the two countries.

He informed his guests of the difficulties resulting from the rule of the genocidal clique of Pol Pot and the great efforts being exerted in national defense and construction.

Chairman Chea Sim thanked the Communist Party, the government, and the people of the Soviet Union for their support and assistance to Kampuchea.

For her part, Galina Semenova warmly praised the creativeness and courage displayed by the women and the rest of the Kampuchean people in national rehabilitation and construction. These activities, she said, show the steady advance and the bright future of the People's Republic of Kampuchea.

She expressed the belief that the relations between Kampuchea and Soviet women would further strengthen and stressed that Soviet women would always side with their Kampuchean sisters.

The group left Phnom Penh, later [in] the day concluding an eight-day visit to Kampuchea.

While here, the group exchanged experiences with Mean Sam-An, member of the P.R.P.K. Central Committee and president of the Association of Revolutionary Women of Kampuchea, and met with Som Kimsuor, member of the party Central Committee and editor-in-chief of the biweekly PRACHEACHON (PEOPLE). They gave lectures in Phnom Penh and in Kandal Province on Soviet women.

In Phnom Penh, the group also visited the Tuol Sleng Museum of genocide, the former royal palace, the "cuu long" orphanage, various kindergartens, the Kampuchea-USSR friendship hospital, the Kampuchea-USSR friendship technical college, and workshops. They also toured a model village in Kandal Province, and the Angkor Wat temple in the province of Siem Reap-Oddar Meanchey.

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CSO: 4200/457

PEOPLE'S REPUBLIC OF KAMPUCHEA

421 MISLED PERSONS RETURN IN BATTAMBANG PROVINCE

BK190745 Phnom Penh Domestic Service in Cambodian 0430 GMT 19 Dec 85

[Text] Our state authorities and people in Sereisophon District, Battambang Province, have disseminated the 6-point clemency policy of the party and state and have used every means to win back misled persons who are still following the enemies in the jungles and serving the cliques of Pol Pot, Son Sann, and Sihanouk.

During a period of 10 months this year, 421 misled persons, including 355 Sereika soldiers and 66 Pol Pot soldiers, presented themselves to our state authorities and people in Sereisophon District, Battambang Province, bringing with them 257 assorted weapons and some war materiel. Currently, all the returnees have been taken care of by our state authorities and people in the district. They have been provided moral and material support. Conditions have been created for the returnees to live with their families and enjoy the right to join in production work in solidarity production groups like our people throughout the country.

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CSO: 4212/38

PEOPLE'S REPUBLIC OF KAMPUCHEA

BOU THANG CONDOLES HUNGARIAN DEFENSE MINISTER'S DEATH

BK210803 Phnom Penh Domestic Service in Cambodian 1200 GMT 19 Dec 85

[Text] Upon learning that Comrade General Istvan Olah, member of the Central Committee of the Hungarian Socialist Workers Party [MSZMP] and minister of national defense of the Hungarian People's Republic, passed away most regrettably, Comrade Bou Thang, member of the KPRP Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of national defense of the PRK, sent a message of condolences to the MSZMP Central Committee, the military commission of the MSZMP Central committee, and the defense minister of the Hungarian People's Republic. The message reads:

We are very upset to learn that Comrade Gen Istvan Olah, member of the MSZMP Central Committee and defense minister of the Hungarian People's Republic, passed away most regrettably on 15 December 1985.

On behalf of the KPRP, the government, the people, and the armed forces of the PRK as a whole, we would like to extend our deepest condolences to the MSZMP Central Committee, the military commission, the Defense Ministry of the Hungarian People's Republic, and the whole Hungarian People's Army.

Comrade Gen Istvan Olah was a leader of the Hungarian People's Armed Forces and a valiant combatant who fought tirelessly for the strengthening of the Warsaw Pact and for the defense of socialism and world peace.

The death of Gen Istvan Olah constitutes an immense loss not only for the entire party, government, people, and people's army of Hungary, but also for the entire Cambodian party, government, people, and people's revolutionary armed forces. We express condolences and share the grief of the Hungarian party, government, people, and people's army and the bereft family.

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CSO: 4212/38

SPK REPORTS ACTIVITIES TO MARK SRV ARMY DAY

BK250410 Phnom Penh SPK in English 1115 GMt 24 Dec 85

[Text] Phnom Penh SPK 24 Dec--The 41st Army Day of the Socialist Republic of Vietnam (22 Dec) has been marked by diverse activities in Kampuchea.

On Saturday the Phnom Penh committee of the United Front for Construction and Defence of the Kampuchean Fatherland held a meeting with the participation of representatives of the populations, factories, public offices, and mass organizations. The meeting was also attended by Thong Khon, candidate member of the party Central Committee and mayor who profoundly thanked the Vietnamese Army volunteers for their sacrifices to the cause of the Kampuchean revolution.

On Sunday, delegation of senior army officers led by Koy Buntha, member of the party Central Committee and deputy defense minister and a companied by Vu Nha, military attache to the Vietnamese embassy, laid wreaths at the monument to the Vietnamese internationalist combatants and the monument for the dead.

A delegation of the party, the front and mass organizations headed by Mean Sam-An, member of the party Central Committee and president of the Association of Revolutionary Women of Kampuchea, called on Vietnamese combatants hospitalized in the city.

Other delegations, representing public offices and respectively led by Pen Navut, candidate member of the party Central Committee and minister of education; Kong Sam-Ol, minister of agriculture; Nguon Pen, deputy minister of finance, visited army hospitals in the city and an invalids center at Kien Svay, Kandal Province.

Film on the Vietnamese army have been screened under the joint auspices of the Ministry of Information and Culture and the Vietnamese Embassy.

The Ministry of Education observed the event with a meeting at the "Phnom Don Penh" senior-high school, where results of a quiz on the Socialist Republic of Vietnam were announced.

On the same occasion, Vietnamese Military Attache Vu Nha appeared on a televised interview during which he spoke of the struggle for national independence, freedom in Vietnam and of their internationalist obligations to the People's of Kampuchea and Laos.

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CSO: 4200/457

BRIEFS

LAO NATIONAL DAY MARKED--A solemn meeting was held recently at Svay Rieng provincial theater hall to mark the 10th anniversary of the LPDR National Day. Comrade Heng Samkai, member of the KPRP Central Committee and secretary of Svay Rieng Province's provisional party committee, expressed warm greetings to the fraternal Lao people on the 10th National Day of the LPDR. He also talked about the history of the Lao people's struggle against the aggression of the French colonialists and U.S. imperialists, struggle which was crowned with a brilliant success on 2 December 1975. He also went on to stress the bonds of close solidarity among the three Indochinese countries in the fight against the common enemies. He highly appreciated the persistent struggle spirit of the fraternal Lao people in the firm defense of their national independence and in the rapid reconstruction of their country under the leadership of the LPRP. [Text] [Phnom Penh Domestic Service in Cambodian 0430 GMT 14 Dec 85 BK] 12624

SOVIET GROUP VISITS PRK--The delegation of the Soviet-Cambodian Friendship Association led by Comrade Vyacheslav Tsugba, first vice chairman of the Council of Ministers of the (Azerbaydzhan) Autonomous Socialist Soviet Republic, left Phnom Penh for home on the morning of 16 December after a successful official friendship visit to the PRK. Seeing the delegation off at Pochentong Airport were Comrade Pen Navut, alternate member of the KPRFLTQTNTRAL Committee, minister of education, and vice chairman of the Cambodian-Soviet Friendship Association; Comrade Min Khin, deputy secretary general of the KUFNCD National Council and many members of the Cambodian-Soviet Friendship Association. Also on hand at the airport to see the delegation off was Comrade Tusonov, first secretary of the Soviet Embassy in Cambodia. [Text] [Phnom Penh Domestic Service in Cambodian 0430 GMT 17 Dec 85 BK] 12624

HUNGARIAN MINISTER'S DEATH ANNOUNCED--The PRK Defense Ministry grievously announces to the KPRAF that Comrade General Istvan Olah, member of the Central Committee of the Hungarian Socialist Workers Party [MSZMP], a famous leader of the MSZMP, and defense minister of the Hungarian People's Republic, died of heart disease on 15 December 1985 at the age of 59. Comrade General Istvan Olah was an outstanding personage of the MSZMP and a valiant combatant who fought tirelessly for socialist ideals and world peace. Comrade Istvan Olah is a great loss not only to the Hungarian party, people, and People's Army but also a regrettable loss to the Cambodian party, people, and KPRAF. The prestige of Comrade Istvan Olah will always remain in the minds of the Hungarian people and army and the KPRAF. [Text] [Phnom Penh Domestic Service in Cambodian 1200 GMT 19 Dec 85 BK] 12624

MILITARY ACTIVITIES IN MEMOT DISTRICT--During the first 11 months of 1985, the armed forces of the district launched sweeping operations against the enemies with the cooperation of militiamen of the communes. They killed 28 enemy soldiers, wounded 18 others, and arrested 17 others. They seized 15 weapons including 6 AK's, 2 AR-15's, 2 SKS's, 2 K-54's, 1 carbine, 1 RPD, and 1 K-44. In October, the armed forces of Memot District, [Kompong Cham Province], launched a sweeping operation against the enemies on the (Kang Kov) battlefield, Da commune. They killed an enemy soldier on the spot and arrested two others. They seized four weapons including an RPD, an AK, a K-54, and a lot of military materiel. Moreover, the armed forces in the district have cooperated with our people in persuading 75 misled persons to return to live with the revolution and the people. These misled persons brought with them two B-40's, three carbines, and two AR-15's to our revolutionary state power. [Text] [Phnom Penh Domestic Service in Cambodian 0430 GMT 20 Dec 85 BK] 12624

KPRAF ACTIVITIES REPORTED--Phnom Penh, 24 Dec (SPK)--In the week ending 2 November, the People's Revolutionary Armed Forces of Kampuchea, in cooperation with Vietnamese Army volunteers, took 35 actions against the enemy, mostly along the Kampuchea-Thai border. As a result, 223 enemy troops were put out of action and 73 others surrendered. Moreover, 81 guns, 62 mines, 7 kg of TNT and 30 boats were seized. During an interception at Svay Chek, Battambang Province, on 21 October, 30 Polpotists were killed and 12 firearms seized. [Text] [Phnom Penh SPK in English 1104 GMT 24 Dec 85 BK] /9738

CSO: 4200/457

INTERNATIONAL RELATIONS, TRADE, AND AID

NHAN DAN HAILS RESULTS OF CEMA SESSION

BK221558 Hanoi Domestic Service in Vietnamese 2300 GMT 19 Dec 85

[NHAN DAN 20 December editorial: "A Momentous Event and an Important Cooperation Program"]

[Text] At a time when the socialist countries are preparing to embark on their new 5-year plan, the 41st special session of the Council of Mutual Economic Assistance has adopted its member countries complex program of scientific and technological progress till 2000.

The scientific, technical, and economic revolution -- of which the main objective is to transform science into a direct production force -- is now developing rapidly and penetrating ever more deeply into every domain of production and social life. The complex program reflects and takes into account that tendency of the age and stems from the viewpoint that the socialist countries are potentially capable of advancing to the height of the scientific and technical revolution through joint action and efforts in this field.

The program points to the need for uniform cooperation in five orientations of priority such as electronics, automation, atomic energy, the development and processing of new materials, and biotechnology.

Our party, government, and people, as well as those working in the scientific and technical field in our country, highly appreciate the powerful Soviet Union's most positive, important, and decisive contributions -- in terms of economy, science, and technology -- to the formulation of this program.

The complex program is an expression of the spirit of international cooperation which, unlike the monopolistic character of technology in the imperialist camp, broadens the scope of multiform and mutually beneficial cooperation with those socialist countries which are not members of CEMA, with developing and other countries in the world.

The complex program highlights the peace-loving spirit in sharp contrast with the imperialist forces which are using scientific and technical achievements to step up the arms race, carry out the star wars program, and suppress the national independence movement in an attempt to dominate the world, this posing a serious threat to life on this planet.

The successful implementation of the complex program will create favorable conditions for all fraternal countries to effect vigorous changes in in-depth production, accelerate socioeconomic development, improve the living standards of their people, and consolidate their cohesion and solidarity. It will also ensure victory for socialism in face of the challenge and serious threat of capitalism, and make it possible for the socialist community -- of which the Soviet Union is the pillar -- to develop its role as the unconquerable stronghold of peace and reliable mainstay of the forces that are struggling for national independence and social progress.

With elation and confidence, the Vietnamese people warmly welcome the complex program and consider the adoption of this program by the 41st special CEMA session as a momentous event, an important cooperation program, and a great success for the socialist community.

Our country is faced with a situation in which small production is still widely prevalent and labor remains mostly manual. Our starting points in the economic field as well as in the scientific and technical field -- which could have developed enormously in recent years -- remain slow in general.

However, we possess the initial material and technical bases of socialism with modern or relatively modern projects of different sizes. We also have a contingent of scientific and technical cadres with a certain and well-defined standard of knowledge.

In view of this, we will participate most actively in the complex program to make our modest contributions to the implementation of this program, especially in the fields of biotechnology, in the development and processing of new materials, and in electronics and informatics and automation.

In light of the resolutions of our fourth and fifth party congresses, the scientific and technical revolution retains the key role among the three revolutions with the aim of turning Vietnam into a prosperous and powerful socialist country with a modern industrial-agricultural economic structure; advanced culture, science, and technology; firm and strong national defense; and a civilized and happy life.

We are in the process of establishing a system of socialist collective mastery and are living in the age of the scientific and technical revolution that is developing vigorously. Under the leadership of the party, we should determine our strategy, objectives, orientations, steps, and work methods and broadly apply advanced science and technology in a way that suits the conditions in our country.

In the immediate future, implementing the resolutions of the fifth party central committee's sixth, seventh, eighth, and ninth plenums, we must more effectively organize and use our existing scientific potential -- including social science, natural science, and technical science -- and focus it on all major tasks in order to help solve various pressing problems arising from production, the people's livelihood, and the improvement of various sectors' management.

It is necessary to step up the mass movement to develop innovations for technical improvement and the rationalization of production. All new scientific and technical findings must, as an immediate step, be used in such a way as to support the production of grain, food, essential commodities, export goods, and major industrial items, ensure additional sources of raw and other materials; help create high-yield districts and areas and new economic zones; and enable all enterprises to carry out production with high productivity, quality, and efficiency.

These are practical tasks which will contribute to the fulfillment of the 1986 state plan and 5-year 1986-90 plan as new achievements to welcome the Sixth Party Congress, and to our active participation in implementing the complex program of scientific and technological progress with other fraternal countries.

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INCREASED ECONOMIC COOPERATION SEEN BETWEEN HO CHI MINH CITY-LAOS

Hanoi NHAN DAN in Vietnamese 28 Oct 85 p 4

[Article: "In Advance of the Vientiane Trade Fair: Ho Chi Minh City's Economic Cooperation with Laos"]

[Text] In mid-November each year, the That Luong Trade Fair--a traditional festival of the people of Laos--is the scene of the most beautiful and largest display of temple peaks in Laos, on the bank of the Mekong River about 2 kilometers to the east of Vientiane. Amidst the spirited atmosphere of the festival, visitors watch military parades and exhibitions of dancing by young Lao couples. In particular, the That Luong Trade Fair is a place where all types of special products are brought in from many localities to be introduced and sold. This year, to mark the 10th anniversary of the Declaration of Independence of the People's Democratic Republic of Laos, the That Luong Trade Fair will become the Vientiane Trade Fair. This year, the capital Hanoi, Ho Chi Minh City, Moscow and Phnom Penh will participate in the fair.

This fair, which represents a small aspect of the change in direction in the economic policy of our friends, provides an opportunity for consumers to learn about the beautiful and fine products of the country's provinces, provides an opportunity to introduce products of the fraternal countries and is the first step in the establishment of economic ties between the countries.

The Products of Ho Chi Minh City on Display at the 1985 Vientiane Trade Fair

Koong Phen, a member of the Vientiane Municipal Party Committee and director of the Vientiane Commerce Corporation, informed us:

--"We had a chance to visit the Quang Trung Trade Fair and from it learned the dynamic and effective way in which Ho Chi Minh City works. The city produces many consumer goods that are of high quality and well suited to the tastes of consumers. Many of our ministers expressed an interest in the different types of machines being manufactured by the city, including the milling machine powered by rice husks because, in Laos, we do not know what to do with all the rice husks being produced. This practical approach gives us an indication of the direction that the development of our industry should take.

The Corporation for Economic Cooperation and Export-Import Trade with Laos and Cambodia, called Sapvimex, will exhibit at the fair many groups of products that are strengths of Ho Chi Minh City, such as aluminum ware, plastic goods, leather goods, glassware, ready-made clothing... These products have been in store departments in Laos for more than 1 year but only in very small quantities because they are only test products. Although some products are not attractive or new, their quality is no less than that of Thai and Japanese products, their price is much lower and it is hoped that they will win new customers. In the economic relations with our friends, supplying products that are good and attractive is a matter to which the industry, small industry and handicraft trades of Ho Chi Minh City must give thought.

Beneficial to Both Sides

The direction being taken by Vientiane is to develop itself by means of production and the Industrial Service of Ho Chi Minh City has helped our friends follow this path by supplying them, as a start, with four different machines: a resin press, a toothpaste making machine, a machine for making sweetcakes and a machine used to manufacture tires and tubes for Honda motorbikes. The city's Association of Interbranch Handicraft Cooperatives is also about to send to our friends systems for the manufacture and recovery of carbon dioxide, the manufacture of liquid soda and the manufacture of zinc wire from discarded materials. Many types of agricultural equipment and machines for the manufacture of consumer goods will also be exhibited at the trade fair.

The strengths of our friends are forest products, pharmaceuticals and coffee. However, little harvesting of these products is being done due to difficulties with means of transportation, difficulties in trade relations with foreign countries and frequent price gouging. Meanwhile, Ho Chi Minh City has a corps of skilled workers and is in a good position to harvest and process various types of forest products. These ties produced results during last year's dry season when the Exported Bag and Wood Products Corporation coordinated with the Minh Hai Export-Import Corporation to export for Kham Muon province 7,000 cubic meters of wood. At present, many friendly provinces, such as Savavane and Savannakhet, are prepared to sign contracts with Ho Chi Minh City for the harvesting and exportation of wood.

The Vientiane Trade Fair is a trade fair of friendship and economic cooperation because it is the first step in the establishment of an Indochina regional market. The fraternal relations among the three countries of Indochina that remained strong throughout the course of the fight against the common enemy of the three nations will now become even closer when this combined strength is built upon within permanent economic ties. We await this fine outcome at the 1985 Vientiane Trade Fair.

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PHAM HUNG ADDRESS AT HOUSEHOLD CONFERENCE

BK201546 Hanoi NHAN DAN in Vietnamese 15 Nov 85 p 3

[Address by Pham Hung, member of CPV Central Committee Political Bureau, vice chairman of SRV Council of Ministers, and minister of interior, delivered at the Hanoi Public Security Service 7 November conference on household and population management]

[Text] I. [Roman one] Firmly Grasp the Fundamental Viewpoints and Requirements for Household and Population Management

Comrades, you all know that the world revolution and the revolution in the three Indochinese countries are continuing to surge forward, but the situation is very difficult and complex because of the actions taken by imperialist and international reactionary forces led by U.S. imperialism and the Chinese expansionists. China is vigorously conducting a multifaceted war of sabotage against our country as well as Laos and Cambodia and intensifying its expansionist activities in Southeast Asia. Meanwhile, the U.S. imperialists are expanding their activities in the South Pacific. Their collusion has caused tension in many parts of the world, speeded up the arms race, and undermined peace. We must continue the struggle to defeat the enemy's multifaceted war of sabotage and also to cope with a large-scale war that may be recklessly launched by the enemy. It is necessary to maintain a high degree of vigilance and ceaselessly strengthen national defense and security.

In the economic field, the resolution adopted recently at the party Central Committee's eighth plenum is aimed at new orientations for eliminating bureaucratism and subsidization and carrying out economic accounting and socialist business. With support from cadres and the working people, this resolution is creating important preconditions for stepping up economic transformation and construction, but reactionary elements and economic criminals, especially speculators, hoarders, and illegal traders, are seeking by every means to sabotage it.

Therefore, along with transforming and developing the socialist economy, we must definitely struggle to repress counterrevolutionary elements and economic criminals.

However, how can we detect the enemy and economic criminals? At the conference on "Intensifying Market and Price Management and Combatting Speculation and Smuggling," I remarked: The enemy and economic criminals have their own houses, and they are conducting their daily activities in hamlets, on the streets, and in city wards or villages. If we carry out household management and successfully control every household and every person, it is certain that we will be able to detect the enemy and criminal elements and punish them.

Therefore, the first issue is to realize clearly that carrying out household and population management to grasp firmly every household and every person is a fundamental task of the public security service that provides the conditions for performing other tasks related to security and public order. The following conclusion was drawn at a nationwide conference held in early 1985: "Performing public security work without grasping the issue of household and population management is tantamount to doing no public security work." At the same time, it is also necessary to understand clearly that household and population management is also designed to support socio-economic management efforts by the party and state in various aspects. In view of this, we must concentrate forces on carrying out this task. The ministry has given permission to postpone a number of not really pressing tasks so that cadres, means, and conditions will be available for carrying out household and population management in the most satisfactory manner.

The main requirement of household and population management is to firmly grasp the situation of every household and every citizen, with attention focused on the personal history and political attitude of the different types of subjects, their movements, and their current acquaintances and activities. On this basis, good persons should be selected for grooming as the nuclei of the mass movement at the grass-roots level; people beset with difficulties should be given assistance; dissatisfied and backward people should be transformed by educational means; and counter-revolutionary and other criminal elements should be discovered for prompt punishment.

With a firm grasp of this requirement, we must closely follow and grasp the actual situation of every household and every citizen by vigorously launching a mass movement for mastery and consolidating the grass-roots organizations of every street and hamlet, and not by simply preparing statistical reports on paper in an administrative and bureaucratic manner.

The last objective of household and population management is to resolve problems discovered in the course of carrying out this task. Party chapters must guide the various sectors and mass organizations at the grass-roots level in assigning people to investigate closely the situation and thorougly resolve a series of problems involving jobs for the unemployed, family conflicts, ideological education for the backward, and so forth.

Proceeding from the results achieved in carrying out household and population management, we will gradually resolve newly discovered problems to promote solidarity among the people; counter criminals; ensure safety for city wards, villages, public organs, and enterprises, bring about a secure life for the people; and meet the interests of society and the people. Such a great, comprehensive task requires the leadership of party committees and administrative organs at all levels, actions by the public security service as the core force, and enthusiastic participation by the people.

II. [Roman two] Some Issues Requiring Attention in Planning Guidance and Implementation

Recently, the ministry has reviewed and clearly pointed to the specific issues requiring attention in planning guidance and implementation.

The operational plan of the Hanoi Public Security Service for the last 2 months of the year partially reflects these points, and I want to raise some additional points.

First, operational guidelines must be specific and include the targets and the dates of completion for every city ward, every village, every township, every district, and every precinct to arrive at the date of basic completion for the entire municipality in 1985 and to continue household and population management in a regular and systematic manner next year. Since household management involves the control of people, it must be kept up to date with reports on changes in the situation of every household and every person. Therefore, we can never say that this work is finished and then stop doing it, nor can we set forth general plans in an administrative and bureaucratic manner.

Second, in guiding the implementation of plans, attention must be focused on key areas.

-- There are key areas of the municipality, key areas of the district, and key areas of the city ward or village.

-- After satisfactorily carrying out household and population management in the key areas to ensure security, we will extend this work to the adjacent areas, thus setting up mutually supporting safe areas in the city ward, district or precinct, and in the entire municipality.

-- After ensuring security and order in the municipality, we will do the same in other provinces. It is necessary to make the capital -- the country's most important area -- the first comprehensively safe area so that this work can be extended to the surrounding provinces. This is the responsibility of the Hanoi Public Security Service as well as of the various general departments, offices, and departments of the ministry, for more than two-thirds of the public offices in Hanoi are under the management of the central government and the various ministries.

Third, along with formulating specific plans and providing concentrated and selective guidance, we must have a numerically sufficient contingent of street security cadres and village building security agents who have reliable qualifications, who are capable of motivating the masses, and who are well conversant with the measures for household and population management.

It is necessary to deploy enough street security agents in the city proper and townships. Security agents should be deployed in urbanized villages as in the city proper, and village building security agents should be assigned to other villages and collective housing quarters and charged with household and population management there.

The ministry neither allows for a shortage of street and village security agents nor tolerates failure to replace incapable and lazy cadres.

Fourth, under the leadership of party committee echelons, we must pay attention to developing and consolidating mass organizations at the grass-roots level so that we can, through them, educate party cadres and members and the masses in household and population management and, in particular, motivate them to participate in the education and control of various types of political and criminal subjects and in the prevention, discovery, and suppression of crimes.

III. [Roman three] Intensify the Leadership of Party Committee Echelons Over Household and Population Management

1. We must strengthen basic units in an all-round manner so as to generate a combined strength. These units include the party chapter, the people's committee, mass organizations, public security units, self-defense units, and other units at the city ward level. Only by making the city wards firm and strong will we have the basis for building firm and strong precincts and districts and a firm and strong municipality.

2. We must combat negativism. Resolute efforts must be made to eliminate negativism within our ranks and in society. First of all, the party's internal ranks must be clean, firm, and strong, as must be the administration, the army, the public security service, mass organizations, and production and business units.

3. We must promote the people's right to mastery. Revolution is an undertaking of the masses. The key to all successes and achievements is to motivate the masses to support and voluntarily implement the policies of the party and the law of the state.

4. The coordination of activities among the various sectors and mass organizations under the unified leadership of the party committee echelons is essential for all types of work. It reflects the mechanism of leadership by the party, mastery by the people, and management by the state right at the grass-roots level to resolve promptly all issues in accordance with realities at the grass-roots level.

5. Due to the important role of household and population management in the socioeconomic and public security fields, good results will only be possible with the direct leadership and guidance of party committee echelons.

Concerning the party's direct leadership, I, on behalf of the Ministry of the Interior, request that the municipal party committee, party committee echelons, and administrative bodies issue resolutions instructing all levels, especially the grass roots, to continue guiding household and population management.

It is of primary importance that we motivate party members and the masses to participate in household management and, at the same time, consolidate, through household and population management, party chapters and mass organizations so as to promote the revolutionary movement at the grass-roots level.

It is necessary to make every party member and every member of mass organizations deeply realize that household and population management is not the exclusive task of the public security service. By participating in household and population management, members of the party and mass organizations carry out an important task under party leadership with the aim of consolidating the political bases among the people and creating favorable conditions to promote the various revolutionary movements among the people. This task also greatly contributes to consolidating party and mass organizations at the grass-roots level. Therefore, every party member must lead the masses in carrying out household management.

6. A very important point is that party chapters truly make an effort in mass proselytizing work. Proceeding from the results of household and population management, they must employ the combined forces at the grass-roots level to resolve the difficulties facing the livelihood of every household and every person, give assistance to those needing employment, educate the backward and dissatisfied, transform those who have criminal records, help correct spoiled and backward youths and teenagers, step up the struggle against negativism, and so forth. This is a very important goal of household and population management and a difficult task that can only be accomplished with our persistent efforts. Success will be impossible without massive participation by party members and the good masses.

7. Party committee echelons must formulate plans to assess regularly household and population management activities performed by the public security service, especially street and village building security agents, and constantly to foster their quality as party members to enhance their zeal for work and improve their methods of mass proselytizing. This is designed to enable street and village security agents to serve as the core for street and village party chapters to grasp household and population management firmly.

By doing all of these things, we will build our strength in both the short and long terms and be able to advance constantly in our continuous struggle to fulfill successfully the two strategic tasks of building socialism and defending the socialist fatherland. This is aimed at defeating the war of sabotage waged by the Beijing expansionists in collusion with the U.S. imperialists against the revolution in our country and, also, at coping with a large-scale war that the enemy may recklessly launch. This is aimed at generating strength with which to foil all the schemes and acts of saboteurs and reactionary elements in the "which will win" struggle between the two roads and the current struggle between ourselves and the enemy to build a new regime, a new society, a new type of man, and a new social role. In the short term, this serves as a firm basis for us to implement successfully the party Central Committee's eighth plenum resolution; control the market, prices, and money; and punish speculators, smugglers, and the enemy who are resorting to all maneuvers and means to sabotage the implementation of this resolution. This is a revolutionary struggle replete with difficulties, hardships, and complexity; it requires that we strengthen our determination and make great efforts in the process to abolish the system of bureaucratism and subsidization and shift to the system of economic accounting and socialist business.

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NEWLY-ISSUED DOCUMENTS ON ECONOMIC POLICIES REVIEWED

Hanoi GIAO DUC LY LUAN in Vietnamese Aug 85 pp 47-51, 55

[Article: "Newly-Promulgated Economic Policies"; passages enclosed in slantlines printed in boldface]

[Text] On 22 June 1985, the CPV Central Committee Secretariat issued Directive No 67-CT/TW on /improving economic management and perfecting the mechanism for signing end product contracts with labor groups and laborers in agricultural cooperatives and production collectives/. The directive has three parts. The first part points to the achievements that have been made and the shortcomings that have been encountered since the day the Secretariat's Directive 100-CT/TW took effect. The directive points out that following the adoption of the 6th Plenum of the CPV Central Committee (4th term) resolution and mostly of its Directive 100-CT/TW, the new production relationships in the countryside have been consolidated and strengthened; the transformation of agriculture in Nam Bo has made good progress; agricultural production has been developed; the living standard of farmers has been stabilized and improved; the delivery and export of grain and other agricultural products have shown considerable increases; and the material and technical conditions have been improved, with scientific and technical progress being quickly applied to production. The adoption of the product contracting mechanism has gradually helped to improve the management system and the process of renewing the content and method of planning at the basic level. However, there still exist important shortcomings in economic management and the application of the product contracting mechanism as performed by our cooperatives. Many cooperatives have so far failed to create a rational production pattern, to switch quickly enough to economic accounting and socialist business and to extend product contracting to all occupations, with work distribution and cooperation remaining irrational and leadership and supervision showing neglect on the part of many localities.

Aimed at improving economic management and perfecting the product contracting mechanism in agricultural cooperatives, the second part states that it is necessary to totally switch to economic accounting and socialist business and to perfect the mechanism for signing end product contracts with labor groups and laborers, in addition to building districts, strengthening the district level and revising a number of state policies, for the purpose of satisfying these needs: to strongly develop the socialist collective ownership right of cooperatives and cooperative members; to step up the three revolutions; and to use more effectively labor, land, water surface, hills and forests, as well as the existing occupations and material and technical conditions to quickly increase the volume of grain and agricultural products for consumption and export.

Not to cease consolidating and perfecting the socialist production relationships in the countryside in all three aspects -- ownership, management and distribution; to make cooperatives strongly develop their production, with increasing productivity, quality and effectiveness; to smoothly combine three interests; and at the same time to help cooperative members to develop the family-based economy.

To strengthen the material and technical base, to use this base effectively and to strengthen and build districts so as to make them capable of assuming direct leadership and effectively serving the basic-level units. In order to satisfy the above-mentioned needs, it is necessary to achieve the following tasks:

1. To define and build a correct economic structure.

2. To abolish the bureaucratic, subsidized and centralized management mechanism and to really and totally switch to economic accounting and socialist business.

3. To perfect and expand the application of the product contracting mechanism.

4. To closely combine improving economic management and perfecting the product contracting mechanism with strengthening the material and technical base of cooperatives.

5. To consolidate agricultural cooperatives in terms of their organization and to closely combine the activities of production, marketing and credit cooperatives in the countryside.

6. To strengthen and build districts and to make the district level capable of leading and serving the cooperatives, stepping up the three revolutions, improving economic management, perfecting the product contracting mechanism and developing economic production.

For proper implementation of this directive, the third part points to the responsibility and tasks of the Ministry of Agriculture and all sectors and echelons. According to this directive, the Departments of Agriculture and Propaganda and Training of the Central Committee and the Ministry of Agriculture must study and compile anew the programs for teaching management of cooperatives and particularly the product contracting mechanism, in connection with various forms of production and business in different localities, and make an early final review of the agriculture-industry-commerce-credit cooperative model (which also includes export-import business). The Organization Department of the Central Committee is to strengthen the task of building party bases in the countryside and to promote new changes in leadership over production and business among rural party organizations. The party, propaganda and training, and sector schools must supplement their programs of teaching with respect to management of the agricultural economy and open specialized courses in order to help to carry out this directive. (See the entire text of this directive in NHAN DAN of 1 July 1985.)

On 17 June 1985, the CPV Central Committee Secretariat issued Directive No 65-CT/TW on /continuing to build and consolidate the socialist production relationships and to develop the economy based on marine products, agriculture-forestry-salt making and deep-sea fishing/. The directive points out that our coastal region, which includes the sea and the coast, is one of the country's strategic areas in terms of socioeconomic and security-national defense matters and offers great potentials in favor of long-term development of our country and nation. The sea-based economy, in which marine products play an especially important role, has such characteristics as being varied and abundant, having short production cycles and bringing about quick and great results. In addition to its direct economic values, the coastal region also has many capabilities to protect and enrich the soil, to protect the environment and to provide border patrolling and scientific research. In the coastal region, beside the fishery and agricultural occupations, there also are possibilities to develop small industry, handicrafts, industry, communications and transportation, construction, commerce, services, tourism, and so on.

Then the directive points to the fact that much progress and many new factors have appeared in the past years and to the living conditions of the coastal population and the state of security and national defense; at the same time, it mentions the undeveloped strengths of the coastal region, where the productive force has developed too slowly and land, labor and resources have not yet been properly used. It observes that the coastal region has not yet truly become a strong economic, political, cultural and social zone where strong security and defense prevail. Its economy, especially its marine products, have not yet become the leading force that makes important contributions to the socialist industrialization. The directive also points to the reasons behind the above-mentioned situation: the direction for production and economic structure of the coastal region have not yet been defined in a rational manner; although the new production relationships were created, they have remained heavily formal, simplistic and restrained, with the organization of production being far from smooth; and the policies that were issued have not really encouraged anything.

The directive mentions the needs to be fulfilled by the coastal region in the time to come in building and consolidating the socialist production relationships and developing the economy based on marine products, agriculture-forestry-salt making and various occupations as follows:

- To develop the collective ownership right of working people and to simultaneously carry on the three revolutions, with the scientific and technical revolution being the key one, in order to develop our great potentials in terms of marine products, agriculture, afforestation and building of the new socialist life in the rural areas of the coastal region.

- To set up right in the beginning the pattern for fishery-agriculture-industry, first of all for such industries as processing, storage, transportation and small industrial and handicraft occupations in all production installations and at the district level.

- To develop to a high degree the trend toward joint business, with marine products being the key object, in order to have good use of the labor force in the coastal region. In order to satisfy the above-mentioned needs, the directive says the tasks that have been determined for the coastal region in the time to come are to strongly develop the production of marine products in terms of exploiting, raising, processing, transportation and consumption. To get valuable marine products for export and to supply more and more protein sources for everyday life and animal husbandry, particularly in municipalities, industrial centers, highland provinces and the army. To fully use land to benefit agricultural development, afforestation and salt making, to promote socialist transformation and to build the new production relationships in many appropriate forms and steps and in conformity with the population situation and production needs; to build the material and technical base for the coastal region; to promote happy and wholesome material and cultural living conditions in the coastal villages and towns; to strengthen the guarding of security and national defense; and to build strong districts. The directive mentions the actual policies and measures about combining the economic components and forces doing economic work in the coastal region; organizing joint business and overall combination of fishery-forestry-agriculture and occupations in state-operated and collective installations; and applying the formula of accounting, sharing profits by occupations and contributing to common welfare funds in the collective production installations dealing with marine products, and also clearly states the responsibilities of different sectors and echelons.

Our party and state have until now repeatedly asserted the important role of small industry and handicrafts and have set forth correct positions and policies aimed at promoting their development. On 26 June 1985, the chairman of the Council of Ministers signed /Directive No 211-CT on strengthening leadership and management in the sector of small industrial and handicraft production/. The directive points to the important role of small industrial and handicraft production, which now accounts for nearly half of the value of the country's industrial production, supplies a large volume of consumer goods, takes care of many repairs, produces many lines of goods for export and provides jobs for millions of people.

In order to strengthen leadership and management in this sector, the directive reminds the unions of small industry and handicrafts cooperatives that they must continue to carry on the functions and tasks as contained in Decree 279-CP of 2 November 1978 of the Council of Ministers and the ministries in charge and the managing ministries, as well as provincial and municipal people's committees, that they must, on the basis of the decree, review their work, draw experience from it and set forth plans and measures to step up production. The unions of small industry and handicrafts cooperatives must reorganize themselves and increase the number of cadres who have specialized knowledges and good qualities. The directive also reminds all management cadres that they must correctly carry out their functions and make timely reports to the Council of Ministers.

In order to implement the party and state policy about renewing the management and business in supplying materials, on 27 June 1985 the Council of Ministers issued /Decree No 190-HDBT on improving the management of materials/. The decree has five chapters.

Chapter one mentions the general principles: the state must maintain centralized and unified management of all technical materials, for they are the special kinds of goods which, as national properties, must be supplied for the right purpose and the right needs so as to help to abolish the bureaucratic and subsidized management mechanism and to totally switch to economic accounting and socialist business. In the supplying of materials, we must reorganize the business network by reducing the intermediary links and cumbersome machinery and organize direct supplying of materials from their sources to where they are used, with the trips involved being kept within rational limits.

Chapter two deals with the management and business in supplying materials in connection with domestic sources of materials, sources of second-rate materials and discarded materials, and various kinds of materials that remain unsold; the management of imported materials; planning for supplying of materials; the procedures for circulation in connection with supplying materials; and transportation, use and making of balance sheets of materials.

Chapter three deals with the economic and financial procedures and building of the material and technical base of the business units supplying materials, with the following subjects: the system of standards and regulations applicable to the materials-supplying business organizations; the responsibility for recalculating expenses of the Central Price Commission; determination of profit margins of business organizations by the Ministry of Finance and charging of one prices.

Chapter four deals with the system of organizing the materials-supplying business and the state management of materials and defines the organization and tasks of different levels -- central, provincial and district -- and of business organizations. Chapter five is about organizing the implementation of the decree.

In order to realistically support the six northern border provinces in developing their strengths and economic potential, to create a stable base for and to gradually improve the standard of living, to serve combat better, to resolve on the spot any logistical matters for the armed forces to the highest degree of endeavor and to gradually reduce the volume of goods to be brought from far places, on 29 March 1985 the chairman of the Council of Ministers issued /Decision No 109-CT on a number of immediate economic and financial policies applicable to six northern border provinces/. The basic point made by the decision is that we must properly apply the investment, capital, materials and labor policies to the economic sectors of six border provinces so as to attain the goals set in the 1985 state plan and the 5-year 1986-1990 plan for each province. Special attention must be paid to developing communications and transportation and commerce in the highlands. The decision mentions the actual policies applicable to the six provinces: About the policy dealing with agricultural tax and commercial and industrial tax, although collection must still proceed in compliance with state regulations, the actual conditions that exist in the provinces will be considered to allow them to get tax exemption or deduction and to pay tax with cash or with farm and forest products in the case of agricultural tax. About commercial and industrial tax, they will get exemption for business single-shipment trips if the latter are organized by state stores or cooperatives to promote planned circulation of good among localities. About the policies dealing with purchases, prices and market management applicable to grain and animal husbandry and to the zones that grow industrial crops in a concentrated manner and grow and exploit forest products in accordance with state projects and plans, the decision clearly states the policies for the above-mentioned goods, as well as for specific zones in the provinces. Its article 6 states the policy applicable to the army units that have totally switched to doing economic work and the units that do both productive and combat work, and the policy applicable to those troops who have chosen to stay in the army to do economic work at the time of their discharge.

In order to encourage stepping up export to ensure the export-import needs of the national economy, to ensure implementing the system of the state holding monopoly of foreign trade and the central administration holding unified management of foreign trade activities, to ensure carrying out the foreign economic line of the party and state, to ensure unified action on the part of the export-import organizations and to ensure the national interests, on 30 April 1985 the Council of Ministers issued /Decree No 128-HDBT on the promulgation of a regulation of the Ministry of Foreign Trade about the state management of export-import activities and organizations/. The regulation states that all the export-import activities of our country in connection with foreign countries must be placed under the unified state management of the Ministry of Foreign Trade. The document defines the export-import service activities; the substance and scope of management; the power of the Ministry of Foreign Trade in terms of guiding and controlling the implementation of export-import projects and plans; the task of drafting laws, policies and procedures; the organizing work; the training and managing of cadres; and the job of organizing and managing our country's commercial representative organs abroad.

/Decision No 137-HDBT on a number of matters having to do with the management and business mechanism of the Vietnamese sea transportation sector/.

The decision clearly points out the actual modes of operations of the sea transportation sector, the question of capital and profits and the relationships that help the sector to develop quickly in conformity with our country's present conditions and potential capabilities.

In order to satisfy the need for developing tobacco production, to properly ensure satisfying all needs, particularly the export ones, and to ensure unifying the organization and management of the Vietnamese tobacco-producing sector, on 28 March 1985 the Council of Ministers issued /Decree No 108/HDBT on the establishment of a union of tobacco enterprises, and on 5 April 1985 Resolution No 107-HDBT on the unified state management of tobacco production and business/. Decree No 108-HDBT points out that the union is the nationwide business organization and economic and technical management organ of the tobacco sector being placed under the direct leadership of the Ministry of Food Industry. The Vietnamese Union of Tobacco Enterprises has been established from Joint Tobacco Enterprises I and II and the state-operated locally-managed tobacco enterprises. The decree also states its tasks, authorities and organizational structure. Resolution No 107-HDBT says a decision has been made that the organs concerned draft a uniform program to develop tobacco production for the country as a whole and that the central administration maintain unified management of the manufacture and export-import of cigarettes and take care of such matters as reorganization of production, policy making, and so on so as to encourage growing more tobacco.

In order to step up reorganizing production in conformity with the necessary conditions having to do with energy, materials and raw materials and to ensure surpassing the goal for making the essential products of the national economy and creating favorable conditions for production installations to reach their maximum current output and to obtain good economic results, on 5 April [illegible] the Council of Ministers issued /Decree No 105-HDBT on issuing the list of essential products, priority production installations and key capital-construction projects of the national economy/.

The list includes all of the essential products, priority production installations and key capital-construction projects in all sectors of industry, small industry and handicrafts, agriculture, communications and transportation, information and culture, public health, scientific and technical research, and so on.

5598
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AGRICULTURAL MECHANIZATION ON DISTRICT LEVEL DISCUSSED

Hanoi NHAN DAN in Vietnamese 28 Oct 85 p 2

[Economic Forum column by Mai Van Dinh, the Ministry of Agriculture: "Some Experiences in Planning How To Equip with Agricultural Implements and Machines Within the Scope of the District"]

[Text] Planning how to equip with agricultural implements and machines is one of the basic elements in the planning of agricultural production in our country and occupies a position of key importance in the effort to advance agriculture from small-scale, fragmented production to large-scale, socialist production with the aim of raising labor productivity and rapidly increasing the output of products in all areas of crop and livestock production. This is a pressing requirement in building the district economic structure along lines that combine agriculture and industry.

On the basis of what has been learned during the years spent guiding the effort to build the pilot project districts of the central level and those of each province and municipality, we would like to present some initial experiences to assist localities in supplementing and refining their current planning for the building of their districts.

First, in planning the mechanization and electrification of agriculture, importance must be attached to planning the use of hand implements as well as the use of improved and semi-mechanized implements. Many districts have long given light attention to this matter. To advance from an agriculture of small-scale production to a modern agriculture, agriculture must be industrialized. However, we do not have modern industry. Therefore, in the immediate future, mechanization must be carried out gradually, machines must be combined with hand implements and semi-mechanized implements and there must be close coordination among machinery, draft buffalo and cattle and manual labor under production standards. Therefore, in planning how to equip, both in the immediate future and over the long range, attention must be given to the matter of implements within the scope of the district. A network for the manufacture of hand implements, improved implements and semi-mechanized implements must be planned. It is necessary to establish machine shops, machine cooperatives and blacksmith, carpentry and machine sections within agricultural cooperatives and production collectives to repair and produce an adequate supply of implements for laborers. Implements must be brought within the scope of planning and the plan for equipping with implements must be closely tied to production plans in all elements of the crop production, livestock production, processing, capital construction and other sectors.

Secondly, the specifics involved in planning how to equip with technology, how to build material-technical bases for a district in keeping with the requirements of an agro-industrial structure are very broad in what they encompass and involve many sectors: agriculture, the mechanical engineering sector, the power sector, the water conservancy sector, the communications sector and the capital construction sector. The planning of implements and machinery for agriculture must also be balanced and well coordinated in every respect among the various sectors and jobs and include ordinary implements, improved implements, semi-mechanized implements, working machines, machines for repair work, simple manufacturing machines, large machines, small machines, movable machines, stationary machines and the agricultural power network supporting both production and daily needs.

Thirdly, the planning of implements and machines for agriculture can only be carried out on the basis of zoning, the master plan for agricultural production, forestry and fishing and the planning of each sector within the district. The planning for equipping with technology must be based on production guidelines, on the allocation of crops and livestock, on closely tying production to processing and on the requirements and capabilities of production collectives and agricultural cooperatives and must be consistent with the agro-industrial economy of the district. This planning must be closely linked to the economic-cultural plans of the district, to the specific stages during each period of building the district's material-technical bases.

In the experience of the districts that have completed this work, there are two approaches that can be taken to planning how to equip with implements and machines. The first is to carry out this planning at the same time as developing the master plan of the district and the planning of its various sectors. The second approach is to not carry out the planning of how to equip agriculture with implements and machines until after the planning of production and the planning of the sectors have been completed. Experience has also shown that formulating production planning, sector planning and enterprise planning at the same time and mobilizing the various sectors to work together in a way that is well coordinated make it possible to avoid planning each sector separately or planning one sector before another without adhering to a common guideline or objective, as a result of which planning lacks both an economic and a scientific basis.

The sectors on the central, provincial and municipal levels have the task of formulating economic-technical standards and quotas, developing methods of payment and instructing the districts in how to carry out planning. At the same time, they must inform the districts at an early date of the draft of sector planning and the material-technical bases they intend to build within the district so that they can be included in the district's master plan and serve as the basis for planning how to equip with technology.

Fourthly, planning must encompass both the immediate future and the long-range future. It takes a long time, from 10 to 15 years, to equip a complete agro-industrial district with implements and machines. Under the 1986-1990 plan, importance must still be attached to equipping with hand implements, improved implements and draft power.

The types of implements and machines with which the district equips itself and the extent to which it equips itself vary depending upon the requirements involved in the district's task of developing agricultural production and range from the rudimentary to the modern. In the immediate future, priority must be given to equipping key areas and providing the equipment needed to meet grain and food production targets and process agricultural, forest and marine products for exportation. In planning how to equip with implements and machines, it is necessary to calculate economic returns, specifically: the amount of labor displaced, in order to establish a new division of labor and develop the trades; the additional land made available as a result of clearing land and practicing multicropping; the shift away from raising draft buffalo and cattle to raising buffalo and cattle for breeding, for meat and milk, for fertilizer and transportation; increases in crop yields and total agricultural output; the amount of time needed to reclaim capital and the returns from capital.

Fifthly, in order for it to be possible to implement equipment planning in the current situation, planning must, above everything else, be based on the existing capabilities of the district. It is necessary to repair, restore and make full use of existing machinery and equipment within the state-operated, collective and private sectors and the new machines supplied under yearly plans. Encouraging each district and basic production unit to export products outside its obligation to the state in order to earn foreign currency with which to import machinery, equipment and spare parts is the best, the most effective and the most practical approach to take to quickly increase the pace at which the district equips itself and builds material-technical bases.

Sixthly, planning how to equip agriculture with implements and machines under current conditions is something new. Because many districts have yet to carry out this planning, little experience has been gained and we must gain experience while working, must correctly adjust this planning to the realities and requirements of the development of the district's production during each period.

7809
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HAIPHONG ENACTS SPECIAL TAX ON PRIVATE MERCHANTS

Hanoi NHAN DAN in Vietnamese 28 Oct 85 pp 1, 4

[Article: "Haiphong Collects Special Tax from Merchants Who Arbitrarily Raise Prices"]

[Text] Since mid-September, taking advantage of price changes on the market, many private merchants in Haiphong, especially at a number of large markets, have raised the prices of their products in violation of regulations. These wrongful actions have been taken not only with the purpose of raking in large profits, but also disrupting the market and creating a fear of shortages in order to make speculation possible.

The Haiphong Municipal People's Committee recently decided to collect a special tax from private merchants who fail to observe business regulations. As a result, tax revenues were three to five times higher in September 1985 than in August. The responsible agencies have set the tax rate for each business on the basis of actual business revenues and information provided by the masses.

Many units have performed this work with good results: the Sat Market exceeded its tax revenue norm by 8.5 percent and collected 3.2 times more in taxes in September than in August. Kien An District, as a result of collecting this special tax, has exceeded its tax revenue norm for the entire year by 1.3 percent.

Together with collecting this special tax, the city has conducted administrative inspections of 39 businesses that were hoarding illegal goods. Practically all these businesses were found to have in their possession goods that are generally obtained through collusion with state commerce and marketing cooperative personnel. The market management team of the Cau Dat Subward caught Tran Thi Hoa, a clerk at the Tran Nhat Duat sales counter, as she was attempting to sneak goods to a private merchant to make a profit.

The sales counter at 148 Cau Dat Street sold one person 8 quintals of sugar at one time.

A number of sales personnel arbitrarily raised prices in violation of regulations, such as Nguyen Thi H., a sales clerk at a marketing cooperative store, who sold 54 thermos bottles, each at a price 5 dong higher than the stipulated price (new money). Sales personnel at the Nga Sau industrial goods counter raised the prices of many goods in order to make some money for themselves.

The above cases were dealt with in harsh ways, ranging from dismissal from one's job to a warning and being forced to pay to the state the difference between stipulated prices and the actual prices charged. However, the inspection and supervision of procurements and sales by commerce personnel are not regular or continuous. Around state stores and marketing cooperatives, we still see a good many black marketers who buy up goods whenever they are available.

7809
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NHAN DAN EDITORIAL ON DRAFT POWER FOR AGRICULTURE

Hanoi NHAN DAN in Vietnamese 28 Oct 85 pp 1, 4

[Editorial: "Providing Increased Draft Power for the Winter-Spring Season"]

[Text] Draft power is the most important factor in the preparation of fields. It consists of the power provided by buffalo and cattle and the power provided by tractors. During the past several years, the number of tractors has increased slightly but many tractors are old and their capacity is not high. As a result, only about 30 percent of the land under cultivation is prepared by tractors, the rest is plowed by buffalo and cattle or hoed by humans. As a result of the implementation of the new economic policies of the party and state, the number of buffalo and cattle has increased rather rapidly within the household sector and even within the collective sector. The buffalo herd has increased in size at the rate of 2 percent and the cattle herd at the rate of 6 to 11 percent per year. Fields have, generally speaking, been prepared on schedule and correctly, thus making an important contribution to the success achieved during the last several consecutive seasons. However, in general, the current supply of buffalo and cattle to provide draft power for the preparation of fields is still rather tight, especially during winter-spring seasons, because many buffalo and cattle die as a result of cold weather, the outbreak and spread of livestock diseases and many difficulties encountered with providing feed for livestock production. The development of winter-spring production this year has made draft power an even more important requirement because the recent series of floods not only caused much heavy damage to agricultural material-technical bases and killed many buffalo and cattle, but also created difficulties with sources of feed for buffalo and cattle during the upcoming season. The supply of buffalo and cattle for draft power has become very tight in many localities, especially in the provinces of the Red River Delta.

To resolve the problem of draft power for the preparation of fields during the winter-spring season, it is first necessary to give special attention to developing the production of buffalo and cattle, especially the draft buffalo and cattle herds, in terms of both quantity and quality. This demands the well coordinated implementation of organizational, management and technical measures and the adoption of correct policies. The guideline for increasing the availability of draft power is for agricultural areas to accelerate the production of buffalo and cattle under suitable requirements and forms of organization. Those places that have many advantages in their favor, such as the mountains, the midlands, Zone 4, central coastal areas and so forth, must promptly supply many buffalo and cattle to the two key rice growing regions and give priority to those localities stricken by the floods that are experiencing a serious shortage of draft power. The provinces of the Red River Delta and the Mekong Delta must develop their buffalo and cattle herds along the lines of combining the production of draft power with breeding in order to reduce the number of buffalo and cattle that must be purchased elsewhere and eventually achieve local self-sufficiency in draft power.

Localities must rapidly increase the size of their draft buffalo and cattle herds in all three sectors: the state-operated, collective and household sectors. Special importance must be attached to the buffalo and cattle herds of collectives that contract with laborers to raise livestock and to encouraging families to quickly increase the size of their buffalo and cattle herds in order to provide supplemental draft power. At the same time, appropriate regulations and policies must be adopted concerning laborers and cooperative member families who raise buffalo and cattle well with aim of prolonging their use. Basic units must apply the experience of product contracts within the crop production sector and must expand and refine the buffalo and cattle production contracts of collectives with households. Buffalo and cattle of the collective should not be turned over to groups and households in a haphazard manner that results in livestock being worked too hard. Contracts for raising buffalo and cattle should be applied in a manner well suited to the characteristics of each area and place. However, regardless of which method of contracting is employed, it must protect and develop buffalo and cattle herds, gradually improve their quality in order to make additional draft power available, make rational and efficient use of buffalo and cattle herds and closely tie the responsibility and interests of livestock producers and tillers to the results of production. During the busy period of the season, collectives must not require that families provide for their own draft power but should create every possible favorable condition for families that are short of help, for the families of war dead, wounded veterans, troops and so forth... and insure that fields are prepared in exact accordance with technical standards.

Before beginning the preparation of fields for the winter-spring season, localities should balance the supply of draft buffalo and cattle on the basis of the amount of area to be put under cultivation. Shortages must be promptly alleviated by purchasing additional buffalo and cattle or redistributing buffalo and cattle from places where there is a surplus supply to places where there is a shortage. It is necessary to immediately eliminate the practice of "banning markets and closing rivers to traffic," which impedes the circulation of draft buffalo and cattle; the practice of prohibiting persons who have buffalo and cattle from selling them and requiring persons who want to buy buffalo and cattle to comply with many bothersome procedures; the practice of taxing a buffalo many times as it is shipped from one place to another... All of these incorrect practices must be quickly eliminated in order to create favorable conditions for the redistribution of draft power among areas and between places where there is a surplus supply and places where there is a shortage.

Buffalo and cattle are used to prepare fields for the winter-spring season at the height of the cold winter weather. Buffalo and cattle must be well fed, worked in moderation, protected from disease and provided with prompt treatment of diseases so that they remain in good health, possess the necessary stamina and do not collapse. The problem of feed for buffalo and cattle must be solved by tightly managing 10th month rice straw supplied under cooperative member contract quotas, making full use of fodder plants and allocating a portion of the supply of grain to buffalo and cattle to supplement their feed following strenuous sessions of plowing. Buffalo and cattle must be classified so that an appropriate regimen can be established for their care and work. The quality of buffalo and cattle herds must gradually be improved with the aim of meeting the need for draft power for production better.

The experience of many years has shown that there are generally heavy rains at the start of the winter-spring season and drought and cold weather in the middle and at the end of the season; therefore, it is difficult for buffalo and cattle to work and they must be effectively supported by tractors. The agricultural and related sectors, together with the localities, must take positive measures to put all existing tractors into operation and use them very efficiently. Old, broken down tractors must be immediately repaired with the aim of restoring them to operating condition. A full supply of fuel and parts, including spare parts, must be prepared to insure that tractors are in regular operation. The "link the tractor to the cooperative" approach must be expanded and contracts with economic-technical quotas must be employed with a view toward closely tying the responsibility and interests of tractor operators to the results of the cooperative's production. At the same time, tractor operators must be trained for cooperatives in order to provide more technically skilled labor to basic units and increase the availability of draft power for production.

Every area and locality must take advantage of existing favorable conditions, overcome the difficulties caused by natural disasters, strongly develop buffalo and cattle production and manage and utilize existing tractors in the best possible manner. This is the important and pressing task that all levels and sectors have in insuring that winter-spring production is carried out on schedule, that all land is transplanted and that intensive cultivation is practiced more widely, thereby helping to implement the grain and food production plans for this year and the years ahead.

7809
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AGRICULTURE

10-DAY AGRICULTURAL PRODUCTION

OW210955 Hanoi Doemstic Service in Vietnamese 1100 GMT 20 Dec 85

[Text] Friends, following are some noteworthy facts about agricultural production in the past 10 days.

Last week, the southern provinces and municipalities devoted their work forces to harvesting early and main 10th-month rice crops. The harvest pace was faster than in the previous week. So far, according to General Statistics Department reports, the southern provinces and municipalities have completed harvesting more than 30 percent of the cultivated rice. Song Be province, with a rapid pace, has harvested more than 50 percent of the cultivated area. The provinces are rapidly harvesting the ripening main 10th-month rice while intensifying drought and insect control to protect the late 10th-month rice.

Last week, the northern provinces devoted their work forces to soil preparation and protection of the already planted winter-spring vegetable and secondary crops. So far, virtually all the provinces and municipalities have basically completed seed sowing for the fifth month-spring crop. The rice seedlings are developing well. Owing to the current cold spell, leaves of rice seedlings sown after 10 December are turning yellow. Localities should pay attention to tending and protecting the rice seedlings so they will not perish in cold weather.

So far, according to the General Statistics Department, the province and municipalities countrywide have finished plowing over 1 million hectares for the winter-spring crop. In the northern provinces and municipalities, the soil preparation pace was slower than in the corresponding period last year. The main reason, the Agricultural Ministry says, is there were fewer cooperative contracts for mechanized soil preparation and the mechanized soil preparation ratio was very low, less than 10 percent.

Along with harvesting 10th-month rice, the southern provinces and municipalities are rapidly shifting to cultivating the winter-spring rice. So far they have completed cultivation of 330,000 hectares, or just a little over 40 percent of the plan norm. The best period for growing the winter-spring rice in the south extends to the end of December only.

Therefore, in the last 10 days of the month, the provinces should devote their work forces to rapidly and neatly cultivating winter-spring rice, with the largest area possible grown in the best growing period. So far the southern provinces with the largest cultivated areas are Long An, Tien Giang, Cuu Long, Hau Giang, and Quang Nam-Danang.

The eastern Nam Bo provinces, with a slow cultivation pace, have completed cultivation of about 10 percent of the plan norms.

On cultivation of the vegetable, industrial, and secondary crops, last week, the north grew over 10,000 hectares of secondary crops, over 4,000 hectares of vegetables and legumes, and over 500 hectare of industrial crops for the winter-spring period. In the north, the winter soybeans and corn are being affected by drought. Early potato crops are being harvested in some areas. All in all, the already planted winter crops are developing well. But in some areas, late blight is ravaging potatoes and tomatoes. Cooperatives should conduct controls and protect the affected plants in time to contain the ravages.

In the south, last week's cultivation pace for the vegetable, secondary, and industrial crops was still slow. Compared with the corresponding period last year, the already planted vegetable and secondary crop area showed a decrease of 1,000 hectares. This is the main secondary crop for the south. Therefore, all localities should strive to accelerate the cultivation peace in order to achieve a larger cultivated area than last year.

Dear friends: According to a report by the general Department of Hydrology and Metereology, next week the weather will remain cold, with temperatures dipping to 15 degrees centigrades on some days. Therefore, the northern provinces and municipalities should adopt measures to protect the already planted spring seedlings from cold weather and devote their work forces to soil preparation while securing more fertilizers and dredging canals in order to create more favorable conditions for cultivating the fifth month-spring rice within the growing period. In a number of low-lying areas where the fifth-month rice will be planted over a long period, weather conditions should be closely monitored. Cultivation must stop when the weather turns cold. In addition, care must be taken to tend, protect, and rapidly harvest the already planted winter crops and to develop rapidly the planting of the spring vegetable, secondary, and industrial crops and protect the buffalo and cattle from cold weather in a timely way.

The southern provinces should continue to carry out insect control to protect the 10th-month rice and rapidly harvest the ripening 10th-month rice while completing cultivation of the winter-spring rice as planned.

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CSO: 4209/183

AGRICULTURE

VEGETATION PROTECTION DEPARTMENT ON CROP PESTS

OW222353 Hanoi Domestic Service in Vietnamese 1100 GMT 21 Dec 85

[Text] According to the Vegetation Protection Department's notice, stem borers in age group 1-2 are currently ravaging the fields planted with early fifth month-spring rice seedlings in the northern provinces. The damage density is greater in Zone 4 where the insect infestation rate reaches 10-12 insects per square meter. The density of stem borers in age group 5 affecting the roots of 10th-month rice stalks is fairly high in many places.

Mature rice leaf beetles are ravaging fifth-month rice seedlings. In particular, the infestation rate in some places in Thai Binh Province is up to 1,000 insects per square meter.

Rice blast has appeared and affected 1 to 5 percent of the acreage of fifth-month rice seedlings in the Zone 4 provinces.

Stem borers are ravaging more than 5,000 hectares of winter-spring rice and rice skippers, more than 20,000 hectares of the tillering early winter rice in the Makong Delta provinces.

Rice gall flies are ravaging winter-spring rice seedlings in the Former Zone 5 provinces. Potato and tomato crops are being affected by phytophthora infestans, which may develop vigorously in the future. Oriental leaf diseases and lima bean pod borers are continuing to ravage soybeans. Other pests will also further affect crops in the northern provinces.

Buoy-shaped borers [saau phao], leaf folders, and stem borers will continue ravaging the winter-spring rice crops in the southern provinces.

Localities should spray insecticides on potatoes, tomatoes, and soybeans to eliminate phytophthora infestans. The northern provinces should continue to eradicate stem border on rice seedlings.

The Mekong Delta provinces should eradicate harmful insects, especially buoy-shaped borders, leaf folders, and brown flies on the winter-spring rice crop.

The provinces in Zone 5 and Former Zone 4 should eradicate rice gall flies on rice seedlings while detecting and exterminating rice blast on the winter-spring rice seedlings.

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END

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Southeast Asia Report

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AUSTRALIA

HAYDEN-MOCHTAR MEETING ANALYZED, IMPROVING RELATIONS FORESEEN

Sydney THE BULLETIN in English 17 Dec 85 pp 90-91

[Article by J.A.C. Mackie, professor, Indonesia specialist at the Research School of Pacific Studies at the Australian National University: "Hope Emerges in the Indonesian Fence-Mending Operation"]

[Text]

IN THE 40 years since Indonesia proclaimed her independence, her Foreign ministers have visited Australia only on five occasions. Of these, only one ever has generated significant political controversy: Dr Subandrio's 1959 visit came at a time of tension over the West Irian issue and he won a notable coup by negotiating Richard Casey into a joint statement favorable to Indonesia on the matter.

The visit by Dr Mochtar Kusumaatmadja next week will be his second but it is seven years since he was last here. Foreign Minister Bill Hayden has made three visits to Jakarta since March 1983 and his two predecessors made several. The imbalance was becoming a little embarrassing.

On the other hand, a visit marred by hostile demonstrations or unfriendly press coverage could do so much harm to a delicate bilateral relationship that it might be better to have none at all. During the years when feelings against Indonesia were high, neither government was eager to take the risk.

The symbolism of such visits is a tricky subject. Unless there are important issues to be negotiated, which in this instance there are not, the main purpose of an official visit is simply to strengthen the ties of goodwill through the gesture, the publicity and the wider personal contacts it generates.

That may not sound very significant but it can be quite important in a precarious and slightly edgy bilateral relationship such as exists between Australia and Indonesia at present. Both governments would like to improve and strengthen the relationship but, apart from symbolic gestures, there is not much that can be done. In both countries there are reservations about too cordial an embrace – on the Australian side because of human rights issues and press freedoms in Indonesia; on the Indonesian side because of what they regard as unfair, unfriendly or ill-informed Australian comment about Indonesia's domestic affairs, particularly about Irian Jaya and East Timor, which a few Australians even purport to regard as matters not within her domestic jurisdiction.

It is a paradoxical feature of Australia's relationship with Indonesia that the issues which have been causing strain and friction between us over recent years have been essentially symbolic ones, whereas on substantive issues of foreign policy and strategy our two governments now have more in common than at any time in the past 40 years. Apart from some unresolved questions about the status of the maritime boundary between us off Timor, a matter which will almost certainly be resolved in some form of compromise whenever it suits both governments to settle it, there are no major bilateral issues in dispute except the symbolic ones – East Timor, Irian Jaya and the press.

On more important international issues, Hayden's policies on the Vietnam-Kampuchea issue have not been very far out of line with Jakarta's thinking, although ASEAN solidarity has occasionally required that Mochtar express disagreement with some of this actions. On regional security, more generally and on North-South questions, the Hawke government probably comes closer to the Indonesian government's policies than any previous Australian government, including Gough Whitlam's.

The East Timor issue which has been the main source of tension between Australia and Indonesia over the past 10 years will probably recede gradually in the years ahead. But in Irian Jaya the reverse is likely to be true. Anti-Indonesian sentiment stirred up by the *Organisasi Papua Merdeka* (OPM) is likely to replace Timor as a red rag for those bulls in Australia who would like to charge at the Indonesian government upon any provocation. It is unlikely that Pan-Melanesian sentiment or the OPM will disappear entirely for a long time or that the flow of border crossers from Irian Jaya into PNG will miraculously cease. What is happening there is a painful and long-term process of "reacculturation" to a new Indonesian civilisation, which will take decades to work itself out.

Indonesia's relations with Papua New Guinea are bound to be severely strained for that reason, particularly if the plans for large-scale transmigration into Irian Jaya go ahead, stirring up embers of Pan-Melanesian solidarity on both sides of the border. And if there is serious friction between Indonesia and PNG, Australia cannot remain entirely uninvolved.

Moreover, if numerous fugitives from Irian Jaya come directly to Australian territories in the Torres Strait in the footsteps of the eight canoe people who have come to Boigu and Thursday Island recently, Australia herself faces an embarrassing refugee problem originating in Irian Jaya.

Dr Mochtar told the *Financial Review* correspondent in Jakarta, Michael Byrnes, recently that he thought relations between Australia and Indonesia have been improving. Australia has "had its noisy say on Timor but now sees Indonesian affairs in a more realistic light." Australians used to fear that Indonesia was expansionist, he said, "but I think you have changed your mind."

One can only hope he is right in this assessment, although I suspect it may be a little over-optimistic or premature. There are, however, some encouraging signs that both governments are now seeking to mend fences more actively than a few years ago. The uncertain question is whether public opinion in Australia is also changing to the same degree.

Indonesia has opened her doors a little more widely to the Australian press and media in recent months. President Suharto himself gave encouragement to the inauguration of an Indonesian Cultural and Educational Institute in Australia earlier this year, with the task of promoting the teaching of Indonesian language and arts in Australia. Both governments have agreed to give consideration to a joint development zone as a compromise solution of the unresolved maritime boundary in the Timor Sea. Mochtar's visit is itself an indication that the Indonesians now feel the atmosphere has improved sufficiently to make a visit worthwhile.

On the Australian side, the most significant gesture was Prime Minister Bob Hawke's statement in August that his government recognised Indonesian sovereignty over East Timor. This did no more than reiterate a policy adopted by the previous Australian government in 1979, but it was the first time that the Hawke government had expressed *de jure* recognition explicitly.

In its attitude towards border-crossers on the Irian Jaya-PNG frontier and towards the Indonesians from Irian Jaya who have recently fled to Thursday Island and Boigu, the Australian government has so far been very cautious indeed. Above all, it does not want to give encouragement in any way to more border crossers to follow. And it does not want to become drawn into a border problem which is essentially a bilateral issue between Indonesia and PNG. For its part, Indonesia has been more restrained than previously in its handling of the border issue and has apparently been trying to avoid creating additional problems for the PNG government.

The Indonesian authorities seem to be well aware of the difficulties all these questions could create for the Australian government and they have also been doing what they can to minimise frictions with us. (They were not so accommodating in 1978, when feelings still rankled in both countries over the East Timor question.) Their very successful Ambassador to Australia, August Marpaung, has had a better appreciation of the politics and public opinion in this country than any of his predecessors. It seems that the Indonesians have registered a point Hawke and Hayden have been trying to get across to Jakarta since 1983 that a Labor Party government is more likely to succeed in reducing the emotional temperature aroused over East Timor than the LCP-National Party could have done, provided Indonesia is willing to reciprocate. The Fraser government was inclined to let the whole matter drift. The present government is trying to grasp the nettle more firmly and minimise the disruptive potential of the problems at stake.

No one can be sure, of course, that the tensions in Irian Jaya will not flare up again in a way which could reactivate anti-Indonesian sentiments in Australia. But the Indonesians seem much more self-assured about their ability to handle that situation than they have been about Timor. The legal and political basis of their position is much stronger in Irian Jaya, notwithstanding some rather far-fetched views to the contrary being peddled by anti-Indonesian elements in Australia.

Hayden commented in parliament last week that there will naturally be some disagreements from time to time between such close neighbors. "There is a wide cultural and historical gap between our respective societies . . . We are an open, pluralistic liberal democracy and becoming more so over time. The potential for misunderstanding is always great and will not lessen." Indonesia's socio-cultural and political background is radically different, so there is no choice but to "recognise and respect these differences and manage them successfully."

A man such as Mochtar, highly intelligent and experienced in the international world, does not need to come to Australia just to learn these things. Many other Indonesians, however, still do not comprehend the differences. And many Australians are still not aware of their implications. □

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AUSTRALIA

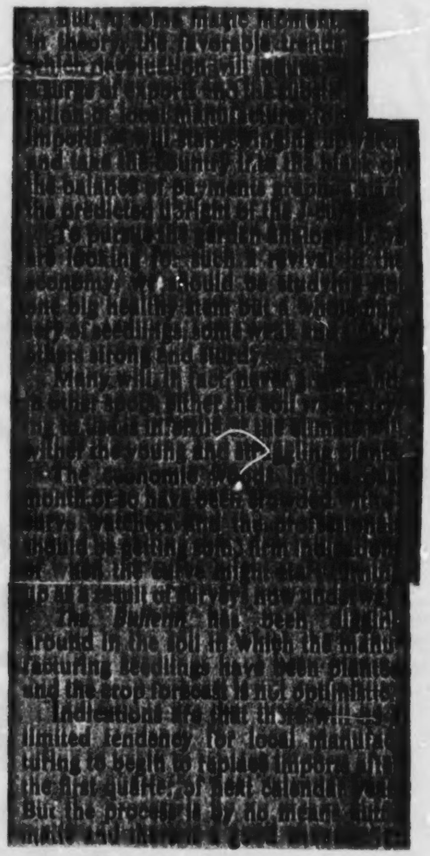
LONG-TERM HOPES OF MANUFACTURING SECTOR VIEWED

Devaluation Impact Analyzed

Sydney THE BULLETIN in English 10 Dec 85 pp 100-101

[Article by John Stackhouse: "Why Australia's Garden Will Not Grow"]

[Text]



the full, predicted advantages that were expected to flow from devaluation might never happen: it will take many, many seasons of hard work, a change in the climate and some careful husbandry before local manufactures produce the crop of employment and balance of payment benefits.

Here is how a cross-section of manufacturers and economic analysts sees the present state of competitiveness in Australian manufacturing industry.

First, there always will be a delay before there is any import replacement on a significant scale. This inertia is considerably stronger than had been expected.

Many importers are operating on long-term contracts and the process of ordering, manufacture overseas, shipping and distribution forms a long pipeline, one that has been feeding the Australian consumer for many years.

Evidence for this drag is seen in the official statistics published last week.

In the September quarter national accounts, imports were continuing to grow at 5 percent (exports were up 3.4 percent as well). Gross non-farm product, which is the sector where manufactured goods replacing imports would come from, rose by only 0.6 percent against a small rise in consumption expenditure (0.6 percent for the government and 0.9 percent for private sectors).

Specifically, the fall in the dollar was showing little impact in turning around manufacturing industry.

The Bureau of Statistics tracked rises in 15 sectors in the quarter (compared with rises in 18 in the previous quarter), falls of 11 (seven) and with no seasonally adjusted figures available in five categories.

The major falls were in areas of strong import competition. They included television sets (down 13.5 percent), domestic washing machines (9.3 percent), lawn mowers (2.8 percent), textile floor coverings (4.3 percent), large electric motors (9.5 percent) and small ones (2.3 percent).

The next problem in supplanting imports lies in the fact that Australia simply has dropped out of many industries and all our requirements now are supplied from overseas.

Another problem is that of scale. A slowly growing national population essentially provides a stagnant, replacement market for many goods.

To achieve a production base, Australia will have to aim not only at the import replacement market but also for exports.

Despite the fall in the dollar (which has vastly improved Australia's financial attractiveness), we cannot hope for years, if ever, to be efficient across the board and even the target of being efficient in selected areas will be hard to achieve.

There are two problems here. The first is that many of our manufactured products have a high import content, either of materials or in components and assemblies. The cost to factories of these ingredients rises as the Australian dollar falls. The second is that of labor costs and productivity. Australia's hourly rate remains high by world standards and the surge in non-wage "on" costs such as workers' compensation and the impact of superannuation add considerably to direct wage costs.

The estimate is that labor-related on-costs add between 40 and 50 percent, although exact figures are hard to obtain (but they may be available next year).

The problem of strikes and stoppages also is one that cannot be dismissed.

Associated with moving out of large sectors of manufacturing has been a reluctance by Australian industry to modernise plant. To compete now, Australia would have to be looking at entirely new production lines for many industries. The investment would be huge.

Manufacturers say that they are reluctant to put up the money for massive plant replacement. First, there is the uncertainty over interest rates and, second, there is the long-term doubt about whether the comparative currency advantage, given by the recent devaluation, still will be there two years or so down the line.

There is, however, heartening evidence that manufacturers are buying new plant, as shown in the capital equipment statistics. Much of this again would seem to be going into purchase of automated plant which not only improves productivity but also introduces a capability to handle smaller production runs.

The final problem which manufacturing industry faces is the requirement for change in the social structure.

The Australian educational systems play down the importance of technical training, either at the blue-collar or professional levels. If we are to take advantage of new, automated systems we will need correspondingly more engineers.

Peter Cottrell, who heads appliance maker Email Ltd, notes: "If people believe manufacturing has a future, this attitude will change."

Bert Evans, executive director of the Metal Trades' Industry Association, says, apart from professionals, the demand for skilled labor is increasing strongly, particularly in Melbourne.

Of the 100,000 jobs lost in manufacturing in recent years, Evans says, many were skilled workers who have gone into other employment.

"But we will have to see changes here as well. We will want to see much more flexibility in tradesmen, multiskills, so they can handle the new manufacturing techniques on which we will depend."

Evans and many others involved in manufacturing also believe another factor sabotaging Australian industry is "the predatory pricing attitude" of some competitors, particularly the Japanese.

"Where they have total market share and Australian production has ceased we have seen price increases of 20 percent in the past year," he said.

"These countries don't take a six-month view like so many of our people have to. They are much longer term, prepared to look at 10 or 15-year spans."

Matt Tiddy, of Simpsons, comments dryly that devaluation has not always brought the price adjustments that it should have, particularly in terms of Japanese imports.

"We believe in competition but we favor fair trading," he said. "But we are claiming dumping of washing machines, dishwashers and refrigerators and we believe we have the evidence and the track record in these complaints to prove it."

Tiddy says Simpsons is expanding production to meet what it perceives as a lift in demand and it can do this by increasing the number of work stations at some of its plants.

Simpsons, he says, is recruiting more assembly workers when they are required. But Cottrell says Email is more likely to introduce more overtime.

In Adelaide, Mitsubishi Motors also is going on overtime on a regular basis following the success of its Magna and enjoys a backlog of about 8000 units from its plant.

Graham Longbottom, from Mitsubishi, says the local product is beginning to enjoy a distinct cost advantage over imported cars from Japan, which are showing price rises of up to 50 percent. Mitsubishi has shown the Magna at the Tokyo car show and plans to test export markets, possibly even developing a left-hand drive model for wider sales.

There are several success stories in the controversial clothing and footwear industries, which have had quota protection over the years but have still seen employment run down.

Bob Adcock, who heads Sydney's King Gee manufacturing group, says his company is taking advantage of the cheaper Australian dollar by branching into export markets for its traditional lines of leisure wear and industrial garments.

Adcock says much of this sector is now using the best technology available in the world. The important factor is in undertaking market research to produce what customers want.

Overall, the picture suggests that the incentive of devaluation to replace imports is not giving Australian manufacturers anything like the open highway towards a revival of local industry that political and government pundits first envisaged.

Macroeconomic View

Sydney THE BULLETIN in English 10 Dec 85 p 102

[Article by John Stackhouse: "Riding on the J-Curve"]

[Text] The biggest optimists about the eventual benefits of devaluation to the Australian economy are the economists who see the whole picture--macroeconomists.

From where they sit, import replacement is only part of the picture of setting right the nation's balance of payments

They see "new" industries such as tourism providing one of the most immediate benefits. Australia now is a cost-attractive country for North Americans, Europeans and Asians, including the ubiquitous Japanese.

The tendency to shut down in Australia and go offshore hasn't been all bad either, they reckon.

While there is an immediate effect of translating local manufactures into imports (and, of course, a loss of jobs) there are longer-term benefits to our capital account as these enterprises start repatriating profits and dividends.

Successful Australian manufacturers, they believe, will be competitive on exports, which they will need to achieve an economic level of production. They instance General Motors-Holden's burgeoning engine sales in Europe as a case in point.

Already there are indications, one economist said, that manufacturers are "climbing out of their bunkers" to buy new equipment which will allow them to compete and to specialise in products with short production runs.

While the beneficial effects of the devaluation of 20-30 percent are just beginning to show, these economists say, they look for the J-curve to turn up strongly in the last quarter of the financial year--after April.

The message is that Australia's economic recovery will not be down just one track--such as import replacement (which turned out to be a dead end after the protected years of the 1960s)--but rather a multitude of entrepreneurial paths.

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AUSTRALIA

FUTURE OF MAJOR EXPORT COMMODITIES EXAMINED

Sydney THE BULLETIN in English 10 Dec 85 pp 98-102

[Article by Nigel Austin: "Why a Trade-Led Recovery May Be Our Only Hope"]

[Text]

AUSTRALIA'S major exports are expected to jump sharply next year as sellers reap the competitive benefits of the fall in the dollar's value. The biggest rise will be in minerals, where experts are tipping an increase of 25 percent in the value of exports. And there are early signs that the value of rural exports will increase, even though the initial estimate was that there would be no growth.

The key worry for businessmen and private enterprise economists is whether the boost can be sustained or whether the underlying problem of export industries – an enterprise-sapping lack of international competitiveness – will re-assert itself.

Australia is tottering on the brink of a permanent financial downtrend unless this basic problem – which is caused by high wages, high interest rates and high government and semi-government charges – is removed. The almost universal cry of private enterprise is for the lack of competitiveness to be reversed.

The short-term good news is that export performance probably will improve at a faster rate than the federal government realises. But longer-term sobering news emerges from a survey of business analysts and export groups: the economy is lagging badly and the nation is falling far short of meeting the export potential given by abundant natural resources.

The international view of the economy has been well-demonstrated this year. The Australian dollar, which the government floated on December 12, 1983, tumbled from 80c in January against the trade-weighted index (based on figure of 100c in 1970) to 64.2c in April, to a low point of 59c in November, before recovering slightly to about 61c.

Devaluation has brought a belief that Australia must realise it has taken the first step toward the devaluation-inflation-devaluation slide which wrecked economies of countries such as Argentina. If not, our economy is headed for deeper trouble.

The significance of the dollar's decline is starkest when viewed against Australia's major trading partners. In less than a year the A$ has fallen by 20c against the trade-weighted index, by 21c against the US$ to A$0.69; by 30 percent against the Japanese yen, our main trade outlet, and by nearly 25 percent against the UK£.

While the federal government is basing its hopes for an improvement in the trade deficit on lower imports, the growing likelihood of increased exports may be the wild card which reverses the balance-of-payments deficit earlier than expected. A Treasury official said although a 25 percent increase in mining exports sounded too optimistic, factors occurring since the budget estimates on exports may well aid the balance-of-payment figure. If so the stronger trade balance would lead to a stronger A$.

But an economic spokesman for Treasurer Paul Keating says the main advantages of devaluation to the export sector will be delayed because it takes time to gear up production in light of new trading circumstances. His view was that advantages flowing from devaluation would lead to a "ferocious" turn-around in the balance-of-payments deficit in the late 1980s.

The spokesman admitted the government's hopes for 50 percent of the import replacements to be in place this financial year would prove over-optimistic because of the economy's sustained growth rate. The Reserve Bank's chief administration officer, John Phillips, says that while business tends to express the worst fears — there is every reason to be cautious and concerned. He believes import-price effects of the devaluation (higher prices leading to reduced demand) will probably start flowing in January 1986, leading to a correction of the balance-of-payments figures.

And already, rural exports are running at a level nearly $500 million above that for the first four months of 1984-85 — despite predictions of nil growth. Whether this rate will be sustained is uncertain. But a senior Bureau of Agricultural Economics statistician believes the bureau may be forced to increase its estimate of rural exports.

The big bonus for the federal government is likely to come from the mining sector where BHP tipping a 25 percent increase in value of exports. A large increase in coal, oil and gold exports should provide the main contribution to a $35 billion rise in the value of mining exports to a record $16.5 billion. Two-thirds of the increase is expected to flow from devaluation and the other one-third from increased production. If the forecasts are right (and BHP should know), the mining sector will account for more than 50 percent of Australia's exports in 1985-86; rural only 33 percent and manufacturing a meagre 17. The effect of increased exports on the balance of payments is unclear but it is a buoyant prospect when the government is predicting that the real devaluation benefits to exporters will be felt before 1986-87.

While the government is confident the decline of the dollars holds no real long-term dangers, the federal Opposition believes the opposite. John Howard's economic and policy adviser, Hugh Hodges, says the declining dollar clearly reflects Australia's falling international competitiveness.

Despite the increased value of exports, the loss from devaluation has been significant — as revealed by statistics for 1984-85 prepared by the Australian Mining Industry Council. They show exchange-rate losses totalling $300 million and losses carried forward of $1 billion on foreign borrowings of $8.9 billion. On top of that, miners paid an additional $80 million interest and principal repayments of $2.1 billion as a result of the devaluation.

Direct benefits of the devaluation were calculated to be $1 billion from increased Australian dollar returns. But of critical importance was the tax on income gains from devaluation, while losses were not deductible.

The council said devaluation made exporters more competitive but companies with overseas borrowings had lost part of the benefits. He said Australian dollar returns would increase in 1986 and there were signs that production was increasing. The council also points out that Australia's minerals and fuels industry has emerged from the recent recession to a stronger position than most, if not all, competing countries.

It says improved trade performance is imperative and the first priority is for the government to push for full discounting of the inflationary effects of the devaluation on wages.

Priority number two is for foreign exchange losses to become deductible for income tax purposes. Another aim is for the industry's costs to be reduced.

Dr Ian Story, economist with stockbrokers **Meares and Phillips**, says the investment outlook for the mining industry has been dramatically transformed by the dollar's devaluation. Many mining companies' profits will increase by as much as 50 or 100 percent in 1985-86.

He believes a deliberate campaign to increase Australia's exports, particularly by using excess capacity in the mining industry, is necessary. "The depreciation of the Australian dollar has given our mining exports a new 'once off' competitive edge, and industry must capitalise on this advantage," says Story.

Story, in the strongest warning possible, says Australia's future depends on exports and maintaining the balance of payments: "We've just got to pay our way in the world or, by 1990, Thailand will leave us behind." He says after-tax devaluation benefits to the minerals industry are substantial because cost and debt effects are small compared to revenue benefits. He calculates that, if the exchange rate holds at about 70c against the $US the potential net after-tax benefit is about $1 billion. But a big problem is that the mining industry is still over-dependent on bulky, low-value products with little added value. "Australia can continue to rely on primary exports in the mining and rural sectors (and perhaps sink into the Third World) or can come to grips with the challenge of adding value to these commodities," he says.

John Macleod, group economist for **CRA**, says pluses and minuses have flowed from devaluation of the dollar, but permanent benefits will only result from a change of attitude in the workforce. Macleod believes that will come through a further devaluation and an increase in the foreign debt. The shock from lower living standards would provide the jolt necessary for change.

Macleod's big worry is the view that anything to do with exports has no priority in Australia.

The **BHP** forecast is for the value of mining exports to rise from $13.2 billion in 1984-85 to $16.7 billion this year. It will lift the value of exports from $29.53 billion last year to more than $33 billion. The forecast is born out by a 20 percent rise in exports in the first four months of the year.

But a sobering fact is that, while exports of steaming coal are expected to continue rising and soon equal the combined value of wheat and wool, oil exports from Bass Strait will start tapering off as production declines. Hardest hit by foreign exchange losses among the mining companies will be the large capital-intensive aluminium enterprises which have borrowed heavily offshore.

The outlook for agriculture is typical of all export industries. While the gross value of rural production has increased rapidly from $3.6 billion in 1970 to $15 billion this year, the net value to farmers has risen from $1 billion to only $3.25 billion. Rising costs have taken a savage toll on the rural sector, slashing the number of farmers, reducing employment and lowering the industry's progress and investment.

Rural exports have quickly fallen from 54 percent of Australia's total in 1973-74, to close to 30 percent. Farmers are sliding deeper into financial trouble and reflect the problems facing private enterprise generally.

National Farmers Federation economist Rob Campbell says that, if the dollar falls further and the effects flowed through into increased wages and prices, the position would worsen. "We're disappointed with the government's handling of the economy," he says. "The accord is the linchpin. It's got to be renegotiated or abandoned. Preferably, the whole centralised system should go."

But, for the manufacturing sector, a period of rebuilding after the ravages of the recent recession means much productivity has been lost. Philip Andersen, the **NSW Chamber of Manufactures** economist, says many companies have moved operations offshore while another large group has to source components offshore. "There is not much value in a devaluation of 25 to 30 percent if there is no one here to take advantage of it," Andersen says. "There will be benefits from the devaluation but they will be spread out and not as great as initially expected. Although production is increasing, it won't reach the level of four years ago."

Andersen believes the beneficial effects of devaluation will be eroded by inflationary effects.

Dr Don Stammer, partner and chief economist with **Bain and Co**, agrees that the benefits of a floating exchange rate outweigh the disadvantages but says the lag before the real benefits flow will be longer than anybody expects. He warns that a sustained result will be possible only if labor costs per unit of output are disciplined. "It is incredible that significant groups of Australians approve what transpires between groups of consenting adults but can't negotiate on wages between adults," he says.

Stammer expects a recovery in the balance of payments around March next year. A similar view is held by Will Buttrose, chief economist with **Lloyds Bank NZA Ltd.** He believes a tight monetary policy will cause the currency to level out by the middle of 1986, drawing foreign investors back. "But Australia will still have fundamental problems with a high overseas debt,

Among the few optimists is Dr Peter Dixon, a senior economics academic at the Melbourne University: "I think it's pretty surprising, what is happening to the dollar. The international markets have picked up some skimpy information about the balance of payments and the 3.8 percent wage increase." He forecasts a turnaround in the balance-of-trade figures in the next six months. Dixon says the present situation reflects an international lack of understanding about Australia: "If I'm right, the $A is a good investment. I agree with what the government is doing. Wage discounting is making the devaluation work."

But, for groups such as the **Australian Automobile Dealers Association,** 1986 will be a year of shocks with the number of vehicles sold dropping to 640,000 from 690,000 in 1984.

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AUSTRALIA

BRIEFS

HAYDEN ON VIOLENCE IN SOUTH AFRICA--The foreign affairs minister, Mr Hayden, says reports of landmines in the Transvaal and explosions near Durban in South Africa marked a disturbing change of direction in the antiapartheid struggle. Mr Hayden says the Australian Government has consistently condemned the resort to arms and violence for political ends, and he says he is dismayed that recent incidents have caused civilian casualties. He said however a lessening of communal tension could not be expected unless the underlying causes were addressed. Mr Hayden described this week's arrest of Mrs Winnie Mandela as a classic example of the denial of human rights in South Africa. Mrs Mandela was arrested after defying a police order banning her from the black township of Soweto, but is now in Cape Town visiting her jailed husband Nelson Mandela for Christmas. Mr Hayden has joined the Commonwealth secretary general, Mr Ramphal, and the United States by criticizing Mrs Mandela's arrest. /Text/ /Melbourne Overseas Service in English 0830 GMT 24 Dec 85 BK/ 12228

METEOROLOGICAL COOPERATION WITH PRC--Australia and China plan to share meteorological data and to begin a series of exchanges of weather scientists next year. Dr (Doug Gauntlet), a deputy director at the Bureau of Meteorology in Melbourne, said it was hoped that at least one Australian meteorologist would go to China while up to six Chinese scientists would visit the bureau. He said meteorological cooperation with China might give Austrlaia access to data from a proposed Chinese weather satellite. Dr (Gauntlet) recently returned from a study tour of meteorological services in China. He said the Australian delegation had been extremely impressed by developments in Chinese meteorology, particularly in satellite technology and typhoon forecasting. Dr (Gauntlet) said Chinese scientists were keen to acquire some of Australia's skills in the field of numerical weather prediction and wanted closer links with the air pollution monitoring station in Tasmania. Australia and China signed an agreement in March to encourage exchanges of scientific staff and information and collaboration on research projects. /Text/ /Melbourne Overseas Service in English 0430 GMT 22 Dec 85 BK/ 12228

CSO: 4200/4444

STEPS TAKEN TO OUST OPPOSITION LEADER

Suva THE FIJI TIMES in English 30 Nov 85 p 1

[Article by Umendra Singh]

[Text]

Moves are afoot to oust the Leader of the Opposition, Mr Siddiq Koya.

Party president, Mr Harish Sharma, of Nadi, is tipped to take over from him.

In the wake of the resignations of three National Federation Party Parliamentarians, the 20 remaining Opposition MPs are waiting for the result of the North-Central Indian National Constituency by-election on December 14.

The campaign to remove Mr Koya would start after the election, said an Opposition MP last night.

The parliamentarians behind the move do not want to hurt the chances of NFP candidate in the by-election, Mr James Shankar Singh, by starting any confrontation two weeks before the poll.

"We do not want Mrs Irene Jai Narayan back. We want to have a clean start," said one of the MPs behind the move, who did not want to be named.

Another MP said they were looking for a new Opposition leader and Mr Sharma, a lawyer from Nadi, was the most logical choice.

"We do not want a confrontation. We would just approach Mr Koya and tell him that we are very grateful for his services but it would be in the interest of everyone that he went," the MP said.

If Mr Koya refused, he would be voted out.

Most Opposition Members of Parliament chose to remain silent over the resignations of Mrs Narayan, Mr Hargovind Lodhia and Dr Satendra Nandan from the party.

But two spoke out.

"Good riddance, I say," said Mr Ikbal Khan.

He said the three were a "nuisance" to the party anyway.

"They should have gone long ago, months ago," Mr Khan said.

"Dr Nandan kept on saying that he was a NFP party man through and through and that although he did not like Mr Siddiq Koya's leadership he would not quit the party."

But he had resigned along with the others.

Mr Khan said he did not think the party would suffer because of their resignations.

Another Opposition MP and Lautoka branch secretary of NFP, Mr Jay Raj Singh, said the resignations were very "upsetting".

He said he would have to consider his own position.

"I don't think that they had any other option. In view of this recent development, I will have to seriously consider my position with the party as well," Mr Singh said.

"To very many people, Mrs Jai Narayan was the voice of the NFP, and in particular, its Indian community," he added.

The Deputy Leader of the Opposition, Mr Koresi Matatolu, said from his hospital bed in Lautoka that he was not in a position to comment.

He is recovering from emergency surgery for appendicitis on Wednesday.

Another MP, Mr Temo Sukanaivalu, said he had no comments to make.

Mr Koya told an NFP meeting at Karavi in Ba last night that people who crossed the floor should go back to their voters and seek re-endorsement.

He did not mention any names but said he was telling those who were saying they were no longer NFP that they should go back to the electorate to see if they were re-endorsed.

Mr Koya mentioned new legislation in India about MPs being put out of Parliament if they crossed the floor after being elected on a party ticket.

Mr Koya said that within the NFP the leader was chosen by majority rule.

He said it was "against all laws of civilisation" for people to put down someone they did not accept.

He said responsible people should not put "a bomb in the house" which provided them with everything.

"If everybody begins acting in such irresponsible manner here it will destroy Fiji," he said.

Meanwhile two of the three Opposition parliamentarians who have resigned from the party said yesterday that they would contest the 1987 general election.

Former Deputy Opposition Leader, Mrs Narayan, and Opposition Backbencher, Dr Satendra Nandan, told news reporters in Suva yesterday they would seek re-election in 1987.

The third member, Mr Lodhia, said 1987 was too far away to think about now.

"I am concerned about what is happening now and the attitude of Mr Siddiq Kova which has led us to resign from the party," Mr Lodhia said.

Mrs Jai Narayan refused to say whether she would fight in 1987 as an independent or with a new political party to back her.

/9274
CSO: 4200/412

FIJI

BRIEFS

GOLD DISCOVERIES--Fiji's Mineral Resources Department has reported a flood of applications for gold prospecting licenses from exploration companies keen to test new theories about the presence of gold in volcanic rocks in the Melanesian region. Since May, the department has received 48 applications, mainly from Australian companies, and it has received enquiries from numerous others. A Radio Australia correspondent in Suva said there is much interest in the potential of some small outlying islands following the discovery of a major gold prospect on the small Papua New Guinea island of Lihir off the coast of New Ireland Province. Meanwhile, the companies operating the 50 year old Vatukoula gold mine on Fiji's main island of Viti Levu have sunk a major shaft to assess a newly found gold vein about 2½ km south of the main mine. The mine's general manager, Jack McDermott said up to $16 million will be spent on developing the shaft to an initial depth of 350 meters and later possibly to a depth of 780 meters. [Text] [Melbourne Overseas Service in English 1900 GMT 85 LD] /9738

CSO: 4200/407

EAST TIMOR MINISTER STRESSES FRETILIN NEGOTIATING ROLE

Luanda JORNAL DE ANGOLA in Portuguese 18 Oct 85 p 10

[Interview with East Timor's Foreign Affairs Minister Mari Alkatiri, by Henrique Matos; date and location not specified]

[Test] The minister of foreign affairs from East Timor, Mari Alkatiri, recently granted JORNAL DE ANGOLA an exclusive interview, in which he discussed in greater detail the situation in his country, the target of an invasion by Indonesia, as well as the diplomatic efforts undertaken by FRETILIN [Revolutionary Front for East Timor Independence] in the international community.

[Question] Now that nearly 10 years have elapsed since Indonesia thought of "filling" the gap left by Portugal's withdrawal, what can you tell us about the situation in East Timor?

[Answer] The truth is this: The current situation in the politico-military area is better for us than in previous years. I say it is better because we have now managed to consolidate control over 70 percent of our national territory; we have now reorganized our forces, in terms of a regular force, a guerrilla force comprised of militias and a self-defense force, in addition to a special commando force which is operating in the occupied zones; and we are now equipped to put the enemy, the enemy infantry, on the defensive.

Hence, the enemy infantry is now in a defensive position. The only enemy force on the offensive at present is the air force exclusively. But, even so, given the features of our country, which is very mountainous, with very long rainy seasons, the air force is not very effective; and the type of war that we are waging is even detracting efficacy from that little effectiveness that the air force has. We think and we are convinced of this, that the situation now is one of starting with this 70 percent control to extend the control, and exert pressure on the enemy in order to hasten the negotiating process. We say this because we ourselves are not ambitious for the traditional type military victory over the enemy, for two reasons: first, we think that this would entail greater investments of our population, and might even cause more tragic consequences in terms of enemy repression. We want to avoid large operations against enemy-occupied zones, which would also entail savage responses, with which we are already familiar, because the enemy is savage.

On the other hand, we have opted for the route of negotiations, because we believe that a solution for stability under our country's specific conditions will have to start with a negotiated solution. The enemy armed forces, and the commander in chief of the enemy armed forces, also admit the impossibility of a military solution to this conflict; and for this reason they are also seeking a political solution. But at the present time, during this phase, the enemy's political solution is different from the political solution that we advocate.

The enemy has intensified its diplomacy in the direction of legitimizing the occupation, to convert the problem of East Timor into an internal Indonesian problem. It wants the international community to legitimize this occupation. Of course, it is against this that we must fight, and we are fighting, we and the friendly countries that have backed us.

We believe that a negotiated solution will have to include direct negotiations between FRETILIN, Portugal and Indonesia, with the mediation of the United Nations secretary general. The UN secretary general was instructed by the General Assembly to do this. To date, there have been several contacts between Portugal and Indonesia concerning the UN secretary general's mediation.

As a first step, we think that it would be constructive to have such contact, but we are convinced that there will be no solution so long as there is no participation by FRETILIN, as our people's legitimate representative; because it is FRETILIN that has put up politico-military resistance to the annexation by Indonesia; it is FRETILIN that is the force representing our people's patriotic, nationalist sentiments. Therefore, it is FRETILIN that can represent our people's desires, and there is no one else. Without this participation by FRETILIN, there will be no peace in our country.

Now, as for the Indonesian arguments that it entered East Timor to fill a gap left by Portugal, those are fallacious arguments, which do not contain any truth; because Indonesia entered East Timor precisely when the entire territory was under FRETILIN's control, and there was peace and an administration in operation. Hence, these are arguments intended to justify a colonialist, expansionist type action; and we think that the Movement of Non-Aligned Nations should discuss this issue seriously, and deal with it in a very objective manner. Indonesia betrayed all the principles of non-alignment. Indonesia betrayed the 10 principles from the Bandung conference, one by one, point by point. Indonesia is practicing colonialism at present. Indonesia is serving the imperialist strategy in the area, one of the domination of peoples. And we must be clearly aware of this, instead of thinking here that the Movement of Non-Aligned Nations should not discuss controversial matters which put its members in confrontation with one another. If this were so, we would ask: What could the Movement of Non-Aligned Nations discuss? Are we going to turn the Movement of Non-Aligned Nations into a merely anti-apartheid or anti-Zionist movement? We cannot, because there are really sacred principles in the movement, which must be upheld. If there is a member that betrays those principles, it deserves to be punished, it deserves to be criticized, it deserves to be denounced.

[Question] Mr Minister, what is your view of Indonesia's "demarches" in an attempt to stifle the discussion of the East Timor issue within the Movement of Non-Aligned Nations?

[Answer] I think that the countries really understand the issue. They realize that it is a colonial issue. It is simply that there are reasons of state preventing these countries from assuming a position that they would very much like to assume. They are quite well aware that Indonesia is not right. Indonesia's argument that has convinced those countries is not an argument based on right. But it is, so to speak, an argument based on force. Indonesia is a country with 150 million inhabitants; hence it is a good market for the industrial powers. Indonesia was a cofounder of the Movement of Non-Aligned Nations. It is a country which thinks in a manner yearning for the past; viewing non-alignment in a manner yearning for the past. It is a country which deserves to be respected. Indonesia is known as the greatest Islamic country in the world. Hence, it has succeeded in mobilizing the Islamic countries around it. But, in essence, concretely, all the countries which have minimal information on East Timor know that Indonesia is not right. Now, what we must do to change the correlation of forces is to continue the diplomatic effort, and continue to inform the countries in particular; we must manage to prove to the world that the struggle is continuing on the site, and that there is no possibility of Indonesia's ending that war. Point one.

Second point: to prove to the world that the extension of that war is what will create instability in the area. The war has already lasted 10 years, and there is no possibility of Indonesia's actually occupying our country; and the war has become increasingly sensed and experienced even by the Indonesian population of the area. Furthermore, this is already being observed at present. On the one hand, the governments seem to want to commit themselves more to Indonesia. But international public opinion, the people, the political organizations in various parts of the world, the religious organizations and the humanitarian organizations have assumed increasingly clearcut positions on behalf of East Timor and against the Indonesian invasion.

Hence, there is a public that is increasingly aware of the problem. It is a matter of time, and we think that we must remain firm in our efforts; we have already been fighting for 10 years. It was more difficult for us to work on the international level, in terms of information, than it is now. I say more difficult because the communications with our interior administration are almost daily; we have contacts via radio, and hence we are at the point of being able to inform the international public about the progress of the struggle inside the country.

[Question] Do you think that, considering the intransigence of the Jakarta regime and the backing from friendly countries, the United Nations will be able to play a major role in search of a peaceful solution?

[Answer] We believe that any peaceful solution will have to involve the United Nations. Now what we have observed is that the United Nations has really attempted to act through its secretary general; it has attempted to act in a very cautious manner; and we think that this caution will be useful. We simply think that it is now time to proceed toward another phase of the discussion process, which must also start with the participation of the representatives of the people of East Timor. Now we have no desire whatsoever to find solutions without their remaining in the context of the United Nations unless, with the delay that is occurring for a diplomatic solution, there are new factors that could enable all of us, the parties in conflict, to find short-term solutions, which would nevertheless be just, fulfilling the desires of our people for national independence. But, at the present time, we think that the UN should play its role and should assume responsibilities for mediating between the conflicting parties.

[Question] Why is the Maubere people's resistance to the genocide and massacres carried out by Indonesian troops so little known to the international public?

[Answer] Because the large news agencies are not interested in correctly publicizing what is happening in East Timor. Point one. Second point: because the large agencies are not interested in hurting Indonesia, because, as I said a short while ago, Indonesia is a large market, a strategic country. Thirdly: because there is a total blockade of our country. I have put the total blockade in third place because there has been no great pressure on Indonesia to open up the blockade, to end the blockade. This blockade exists; just now we have received reports on that situation from our administration. The reports have been either from FRETILIN or else from Indonesia.

Of course, the reports from Indonesia have greater international repercussions than those from our own news agency. But we have slowly managed to change the situation, because we have already succeeded in mobilizing the major press in the United States: the NEW YORK TIMES, WASHINGTON POST and several others. And we think that, with this effort, with this guerrilla movement, so to speak, which we are carrying out abroad, we shall succeed in slowly changing the correlation of forces.

[Question] What is your opinion of the position recently affirmed by Australia in favor of the Indonesian occupation?

[Answer] Well, to begin with, I condemn it. I consider it a betrayal of the debt of blood that Australia owes to the people of East Timor, During World War II, over 50,000 Mauberes died defending Australia in our country, impeding the Japanese invasion of Australia in our country. Now that we are dying to defend our country Australia refuses to understand us. Hence, it is a debt of blood, it is a betrayal. This is point one.

Secondly, we might also think that it shocks us and our friends most that this position should come from a labor government than from a conservative government; because the conservative government already held this position. Therefore, Australia has never had a different position. It was always Australia's position to back Indonesia. We placed a certain amount of hope in the labor government; that is why this position shocks us most. In any event, it is not this position on Australia's part that will prevent us from continuing the struggle;

on the contrary, it requires greater determination of us now, in the external area per se, and in Australia, in particular, because we have a community of nearly 15,000 people living in Australia. Therefore it is the largest Maubere community abroad; within a few years, it will number 30,000, and we think that more children will be born.

We believe that we must intensify our efforts; we have many friends in Australia, we have friends in the Australian government itself, and we have numerous friends in the party that is in power. At the present time, we have a greater opportunity to work in Australia along with that government than we did with the conservative government. What we can claim is that Australia, with the ambition to exploit our oil, not to mention its desire to steal our oil, betrayed the debt of blood that it owes to our people.

Australia wants to take part in this attack against our people; it wants to make this agreement with Indonesia, recognizing the so-called integration of East Timor by Indonesia, in order to be able to benefit, as well, from this military annexation of our country, this genocide that Indonesia has carried out against our people.

[Question] We would like to learn your opinion of the negotiations between Portugal and Indonesia, through the auspices of the United Nations secretary general. But, now that FRETILIN has been ignored, what is your organization's position?

[Answer] We shall begin by saying that we are comfortable. We are comfortable, because we are convinced that there can be no solution to the East Timor issue without our participation. We consider ourselves the party most directly concerned with the conflict and with peace. The only legitimate party is the representatives of the people of East Timor. Portugal is the legal party in the conflict and Indonesia is the illegal, occupying party in the conflict. Therefore, without our participation there can be no participation by our people, and without our people's participation there can be no solution. This is why we claim to be comfortable, because the time will have to come when both the United Nations secretary general, Portugal and Indonesia as well will acknowledge that they cannot progress further because the people's participation is lacking.

We are now demanding that the UN begin contacting FRETILIN also, that the UN start defending FRETILIN's participation as a "sine qua non" condition for the success of the talks. This is our view. We think that the talks, as they have occurred up until now, as a first step in an entire long process, have been constructive. The fact that Portugal and Indonesia have sat down at the table with the UN secretary general in connection with UN General Assembly Resolution 37/30, is constructive.

First, because Portugal is assuming, to a certain extent, although in a manner that is not very clear, but it has been assuming its status as the one politically and legally responsible for the conflict, and it has been acknowledged by the United Nations as an administrator power. Secondly, because Indonesia is starting to admit, whether or not we actually like it, there is an issue which deserves a solution. Indonesia cannot claim that it is an internal issue; if East Timor is an internal issue, why is it negotiating with Portugal with the United Nations secretary general as mediator?

It is no longer an internal issue. They have actually proven that it is not an internal issue; it is a conflict that deserves to be resolved with the United Nations as mediator. Must we now clearly define between which two sides there is a conflict? The armed conflict is not between Portugal and Indonesia. It is between the people of East Timor, in this instance represented by FRETILIN, and the armed forces of Indonesia. Hence, as we see it, the total solution to the conflict starts with a cease-fire agreement. Secondly, an impartial transitional administration. Thirdly, free, democratic consultations of our people; and later they will decide whether to ratify the proclamation of independence made by FRETILIN, whether to ratify the so-called integration of East Timor into Indonesia or whether they want any other solution. It is our people who will decide. These talks may have value enabling our people to express themselves freely; they may not have the utopian notion of finding definitive solutions to the conflict. There has been a great deal of talk about the possibility of autonomy for the people of East Timor. Who will decide on this? FRETILIN will certainly not, because it has already proclaimed independence. When we have struggled, with patriots who have been killed, it has not been so that we might become autonomous Indonesians. Will Portugal decide? It cannot. A former colonial power lacks the moral status to decide whether its former colony should or should not become a colony of another power. Is it Indonesia that will decide? It cannot, because it is an illegal, occupying power.

Now, these three conflicting parties must meet to create conditions enabling the people to decide. This is all that we seek. What the people decide is what should be accepted. We believe that 100 percent of the people will vote for independence, and will ratify the proclamation of independence of the Democratic Republic of East Timor.

2909
CSO: 3442/55

MOKHTAR REJECTS APPEAL FOR UN ROLE OF EAST TIMOR

BK180859 Melbourne Overseas Service in English 0830 GMT 18 Dec 85

[Text] Indonesia's foreign minister, Dr. Mokhtar, has rejected an appeal by a group of federal labor MP's for the controversy of East Timor to be resolved through the United Nations. In an open letter to Dr. Mokhtar, the 24 labor backbenchers appealed to the Indonesian Government to take steps to correct what they called the basic wrong of the annexation of East Timor by Jakarta. They also claimed East Timor remains a barrier to any Australian relationship with Indonesia based on mutual trust.

But Dr. Mokhtar said in Melbourne today he did not agree with the labor politicians' assessment. He said the wrongs of the situation in East Timor were caused by one of the three parties there deciding to use force instead of the self-determination process agreed upon by Indonesia, Portugal, and the three parties. Dr. Mokhtar denied that Indonesia breached that understanding by using force.

Dr. Mokhtar also said his country was handling carefully its transmigration program in Irian Jaya. He said Indonesia was open to modifying its implementation to show sensitivity to problems that might arise but had no reason to ignore the wishes of the governor of Irian Jaya who he said favored the program.

/9738
CSO: 4200/423

52 HIGH-RANKING ARMY OFFICERS RETIRE

Jakarta ANTARA NEWS BULLETIN in English 12 Nov 85 p A5

[Text] Magelang, Nov 11 (ANTARA)--A total of 48 brass were retired for having completed their services in a ceremony at the Magelang military academy, Monday.

Among the newly pensioned officers are Lieut. Gen. Himawan Sutanto, Indonesian ambassador to Malaysia, Lieut. Gen. Susilo Sudarman, Indonesian ambassador to the United States, Lieut. Gen. Supardjo, former third regional military defence commander, Lieut. Gen. Yogi S.M., former second regional defence commander, Lieut. Gen. Murgito, former Akabri (armed forces academy) Commander, Maj. Gen. Subyakto Prawiro Subroto, Lemhanas (national defense institute) governor, Maj. Gen. Wang Suwandi, secretary general of House of Representative/ Congress and Brig. Gen. Jhonet Hutomo, former chief of army information service.

Army Chief of Staff Gen. Rudini in a farewell speech said that the retirement does not mean the end of dedication, but they will be demanded to provide guidance for their successors particularly the army younger generation.

Rudini who called the retired officers as his senior and colleagues said that the 45 Generation had given their leadership to the younger generation.

He believed that the army veterans would maintain the noble value of the 1945 heroic struggle to the present generation.

/8309
CSO: 4200/405

DHARSONO HINTS AT GOVERNMENT COMPLICITY IN '84 RIOT

HK171125 Hong Kong AFP in English 1055 GMT 17 Dec 85

[Text] Jakarta, 17 Dec (AFP)--The Indonesian Government may have engineered a Moslem riot here last year to scuttle Moslem political aspirations, retired General Hartono Rekso Dharsono today told the court trying him for subversion.

Mr. Dharsono, 60-year-old former Secretary General of the Association of Southeast Asian Nations, also said that to his knowledge some 200 people had remained unaccounted for since troops opened fire during a Moslem riot in Jakarta's Tanjung Priok Port in September 1984 that left at least 30 dead.

He told the court: "The motivation for an engineering of the riot may have been to put an end to efforts by the Moslems especially, and the Indonesian people generally, to play a role in the political life in Indonesia."

He argued that his theory was supported by military witnesses' refusal to testify about events preceeding the riot, the fact that some key figures involved had not been tried and that their whereabouts were unknown, and the mass arrest of Moslem clergymen after the riot.

Mr. Dharsono faces six subversion charges, including one alleging that he helped draft a white paper calling for an independent commission of inquiry into the riot. He could face the death penalty if convicted.

Mr. Dharsono said during the course of a statement in his defense, which has taken three sessions to deliver, that the riot casualty figure given by Armed Forces Commander General Benny Murdani in official public reports had changed three times--from an initial 9 to a final 30 killed and 53 injured.

He argued that the fact that the figure had changed and the fact that to his knowledge some 200 people had remained unaccounted for since the riot pointed to look into the incident--as recommended in the white paper.

The white paper, he said, was an effort to open a dialogue with the government, not an attempt to undermine its authority as the prosecution has charged.

Mr. Dharsono said that he would continue to pursue the truth behind the riot and its aftermath whether he was jailed or set free.

At the end of today's session, during which the defendant lambasted what he called the over-active role of the military in Indonesian society, the crowd of some 400 outside the court booed the prosecutor when he declined to answer Mr. Dharsono's question about whether he believed the official casualty figures.

The trial continues on Monday.

/9738
CSO: 4200/401

SABOTAGE RULED OUT IN TV STATION EXPLOSIONS

BK181633 Jakarta KOMPAS in Indonesian 12 Dec 85 p 9

[Excerpt] Yogyakarta, KOMPAS--Two reasonably strong explosions were heard at the Yogyakarta television station complex on Monday night [9 December]. The explosions were preceded by the breakup of the fuse box and followed by a blazing fire which affected the primary cable adjacent to the complex' electricity powerhouse. Thanks to a swift response, the blaze did not affect nearby buildings, even though it managed to temporarily stop a television program being relayed from the Jakarta television station. Half an hour later, the relay was resumed by using emergency diesel electricity power.

The Yogyakarta television station as well as the State Electricity Authority are still investigating the real cause of the incident. However, the possibility of sabotage is ruled out. A local station official described it as "an ordinary accident which should not have taken place at a vital installation."

The chief of the Yogyakarta television station, Ishadi, was not available for comment because he was in Jakarta. What KOMPAS could confirm from station employees was that the explosions occurred at about 2030 [1330 GMT] and were loud enough to be heard by villagers living next to the station. Despite the darkness after the explosions, the employees on duty were not panic-stricken and managed to extinguish the fire with the existing firefighting equipment.

/9738
CSO: 4200/55

BORDER PROBLEM DOMESTIC AFFAIR, IRIAN JAYA GOVERNOR SAYS

Jakarta ANTARA NEWS BULLETIN in English 14 Nov 85 p A 10

[Text] Jayapura, November 14 (ANTARA)--The governor of Irian Jaya, Izaac Hindom has said that the Indonesia-Papua New Guinea border problem is completely a domestic affair between the two countries and no other country may meddle in it.

The governor made the statement when receiving a call from the University of Papua New Guinea students led by Stephen Roger Rank at his office here Thursday.

He reaffirmed that the Indonesian Government had never expelled its people from the country. Instead, it always tries to improve the welfare of the people. It was the OPM influence that had made some Irian Jayans leave their villages to cross the border to PNG, he said.

The governor told the PNG students that many of the Irian Jayans border crossers had now returned home and they had even been resettled and provided with housing facilities, life security and land ready for cultivation.

The administration of Irian Jaya has also carried out housing, cooperative, agricultural, educational and religious development for the people in the Indonesia-PNG border areas, which is not always easy due to the lack of communication facilities.

With regard to the difficulty in carrying out development programs in the border areas, therefore, the Indonesian government is at present undertaking a Trans-Irian Jaya road project that will connect Abepantai, Merauke and Nabire with Wamena.

Governor Izaac Hindom hoped that the students who had come here under a cooperation between the two countries, which the governor said as very good, would make clear signs of the development programs in the province.

The governor called on the students to make inspection anywhere they like for comparative study.

During the meeting the governor was flanked by his assistant J. Pattipi and several assistants to the regional secretaries of the Irian Jaya third-level region while the PNG students by the first rector of the Irian Jaya Cendrawasih University, Augus Kafiar and other staff members of the university.

/8309
CSO: 4200/405

INDONESIA WILL ARREST IRIANESE SEPARATISTS IF THEY RETURN

HK200550 Hong Kong AFP in English 0522 GMT 20 Dec 85

[Text] Jakarta, Dec 20 (AFP)--Five separatist leaders who surrendered to Papua New Guinea authorities early this month will be arrested if they return to Indonesian terriroty, Interior Minister Suparjo Rustam has said.

Mr Rustam told the national news agency ANTARA in an interview published today that the separatists had broken Indonesian law and would be brought to trial if they recrossed the border with Papua New Guinea.

The five are James Nyaro, overall commander of the Free Papua Movement (OPM), his defence minister Alan Donald Derey, southern sector commander Geradus Tommy and two of his deputies.

Papua New Guinea Foreign Minister Legu Vagi said in a statement issued December 9 that none of the five would be returned to Indonesia. He said their families were being cared for by the United Nations High Commission for Refugees (UNHCR).

All five are currently being held under tight security in a jail near Port Moresby, according to reports from the Papua New Guinea capital, while the UNHCR looks for third countries to give them political asylum.

The small, ill-equipped OPM has been waging a sporadic war against Indonesian rule of Irian Jaya. Indonesia took control of the border province in 1963.

Mr Rustam, who is chairman of the Indonesia-Papua New Guinea border crossers' committee, said OPM members were working hard to stay away from Indonesia because they were afraid of the legal consequences if they returned.

/12712
CSO: 4200/433

MINISTER LAUDS RELIGIOUS HARMONY IN IRIAN JAYA

Jakarta ANTARA NEWS BULLETIN in English 15 Nov 85 p A6

[Text] Jayapura, Irian Jaya, November 15 (ANTARA)--Religious Affairs Minister Munawir Sjadzali has said that religious life in Irian Jaya could serve as a model in preserving national harmony.

The minister made the statement when opening a new building of the representative office of the Ministry of Religious Affairs here Friday.

Harmonious religious life is evident from the absence of reports of unrest among religious groups here. He also pointed out that Muslims and Christians in the nation's largest but sparsely populated province live side by side and that mosques and churches are built close to one another.

"This shows that such harmonious life has long been inherited by our ancestors who stressed on the importance of tolerance and not on difference in worship," he added.

He went on to say that religious propagations were directed to persons who previously had not followed any religious belief, and not to convert someone who had acquired his or her own religion.

On behalf of the Indonesian Government he extended his appreciation to foreign religious missionaries who had been working hard even in remote areas. On the other hand he reminded that such duties should not be connected to conceal political intentions.

Avoid Misconceptions

Meanwhile, Irian Jaya Governor Izaac Hindom reminded the Irian Jaya community to avoid any misconceptions of transmigration program, in particular from the religious aspects.

He explained that one's belief in God was really a personal matter, and that the transmigration of people from Java to Irian Jaya was to help improve the standard of living here.

The governor also mentioned that the government would continue to implement transmigration in the coming years.

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CSO: 4200/405

MINISTER APPRECIATES WORK OF FOREIGN MISSIONARIES IN IRIAN JAYA

Jakarta ANTARA NEWS BULLETIN in English 16 Nov 85 p A3

[Text] Jayapura, Nov 16 (ANTARA)--Religious Affairs Minister Munawir Sjadzali has said that the work of foreign missionaries in religious services in Irian Jaya had so far been positive and deserves appreciation.

Religious services in Irian Jaya are needed and the central as well as regional governments are always open to give permission to any religious activities in the region so far as they are not linked with political interests, he added.

In his briefings to the participants of a consultative meeting between officials of the Ministry of Religious Affairs and Missionaries and chairman of church sponsors in Indonesia at the governor office here Thursday the minister further said that the missionaries' success in educating the people had indeed promoted the government's efforts in building a Pancasila-based nation.

The minister expressed the hope that foreign missionaries in the region would educate local people to become religious leaders for the development of the people.

The three-day meeting was attended by 40 participants, aimed at preparing Christian and Protestant religious leaders.

On the occasion Minister Munawir presented financial worth Rp.87,500,000 (US$87,500) for the rehabilitation of religious facilities.

Present during the meeting were the secretary general of the Ministry of Religious Affairs, Aswasmarmo, the director general of Islamic mass guidance, Abd. Kadir Basalamah, the director general of Christian and Protestant mass guidance, Soenarto Martowirjono, the regional administration officials and other invitees.

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CSO: 4200/406

INDONESIA

TRANSMIGRATION PROGRAM IN IRIAN JAYA CALLED POSITIVE STEP

Jakarta ANTARA NEWS BULLETIN in English 17 Nov 85 p A5

[Text] Jayapura, November 16 (ANTARA)--Dr. Budai Tapare, a lecturer from Papua New Guinea, is of the view that the transmigration program in Irian Jaya is positive.

Speaking to ANTARA here Friday, Tapare, who is currently leading a 13-member team of students from the PNG University, Port Moresby, said that the regional government police in resettling residents who had previously scattered in various other resettlements was a positive step. This system is also applied in PNG, he said.

The students team which in a current visit to the region observed several transmigration projects in Jayapura regency.

The team was impressed by the system of mixed resettlement of transmigrants from Java and the local people.

The students said that the development programs launched by the regional government were really directed towards the improvement of the people's living standard.

The living standard of the Irian Jaya people has really been increasing and it is contradictory to what the PNG people commonly think about what they said.

Budai Tapare said that he found the Irian Jaya people had the high spirit of solidarity and unity and added that there was a mistaken opinion in PNG considering that Irian Jaya people dislike Indonesian people.

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CSO: 4200/406

PNG PLEASED WITH SETTLEMENT FOR FORMER BORDER CROSSERS

Jakarta ANTARA NEWS BULLETIN in English 19 Nov 85 p A3

[Text] Jayapura, Nov 18 (ANTARA)--The Government of Papua New Guinea (PNG) is pleased with what it learned about the living condition of ex Irian Jaya's border crossers now placed at Workwoana village, Arso district, Jayapura regency, Irian Jaya, according to Indonesia-PNG border team.

It proved that the Indonesian Government is really concerned about its people, said the eight member team led by first assistant to PNG secretary general for foreign affairs in Port Moresby, Matalo Rabura, during a meeting with the ex border crossers here Monday.

The Indonesian Government provides housing facilities and living allowances. A very encouraging fact, he said, adding that the people in the district do not live in groups but mingle with other people from outside Irian Jaya.

This is contrary to issues which say that the ex border crossers returned to a life where there was only poverty, he went on to say.

Rabura said he would submit a report to his government about the real situation to encourage the other border crossers to voluntarily go back to their home town or by the help of the Indonesia-PNG governments and live peacefully with their own people.

Head of the Indonesian representatives in the Indonesia-PNG border team, Bas Youwe, regent of Jayapura, explained to newsmen here that the visit of the border to the settlement was aimed at making a close observation of the living condition in the village.

On Tuesday the team was scheduled to have a meeting with Irian Jaya's government officials to discuss matters on the development of the border areas of the two countries and other matters related to the development plan.

The first border crossers of 99 people who returned to Irian Jaya on December 22, 1984 have received 100 houses from the government as well as a six-month allowance while waiting for their first harvest.

Besides the allowance they also received medical facilities and social guidance from the Ministry for Social Affairs.

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CSO: 4200/406

INDONESIA

FIRST TRADE SURPLUS WITH THAILAND IN TEN YEARS

Jakarta ANTARA NEWS BULLETIN in English 20 Nov 85 p A9

[Text] Jakarta, Nov 20 (ANTARA)--Indonesia last year started to enjoy a surplus in its trade with Thailand after ten years of suffering deficits, official figures show.

Last year, trade balance between the two ASEAN countries gave a surplus of US$12 million for Indonesia. Indonesia's export to Thailand that year earned US$97.5 million while its import on the other hand cost only US$55.4 million.

The Central Bureau of Statistics (BPS) noted that this year in the January-July period Indonesian export to Thailand had reached US$55 million against an import total of US$38 million, thus giving a surplus of US$17 million to Indonesia.

In the decade since 1974, the trade had always been in favour of Thailand from year to year due mainly to a bulky Indonesian import of rice from Thailand. Now Indonesia has achieved self-sufficiency in rice and no longer needs to buy that commodity from any other country.

In 1974, Indonesia's export to Thailand was worth only US$9.176 million against a big import of US$84.83 million, making Indonesia suffer a deficit of no less than US$76.65 million.

Indonesia's main exports to Thailand include crude oil, coal chemicals, logs, aircraft equipment, cement, fertilizer, fresh and frozen fish, garments and handicrafts.

From Thailand, Indonesia imported fodder, artificial fibres, ships, textile goods, minerals (corals and sand) and until recently rice.

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CSO: 4200/406

INDONESIA

PRC TRADE OFFICIAL MEETS CHAMBER OF COMMERCE OFFICIALS

Jakarta ANTARA NEWS BULLETIN in English 14 Nov 85 pp A5, A6

[Text] Medan, Nov 13 (ANTARA)--PRC (People's Republic of China) wishes that Indonesia-PRC relations will not be limited to a trade cooperation, but also in other fields, Ping Ji An, chairman of the Chinese foreign trade affairs stated in a meeting with North Sumatra Kadin (Indonesian Chamber of Commerce) executives and Belawan port officials here Wednesday.

PRC's trading ships have been visiting Belawan port for four times so far, and it was hoped that more ships from PRC would follow suit, Ping Jin An said at the meeting held by the Belawan port management.

Belawan, Indonesia's biggest exporting port, since August has seen the shipment of 30,000 tonnes of fertilizer and 3,000 tonnes of rubber of PRC.

Other commodities to be exported through Belawan are cement, coffee, plywood and garment. Indonesia until today has not bought anything from the republic, but it has been fixed that Indonesia would buy cotton from PRC.

Ships to Indonesia

Following the reopening of Indonesia-PRC direct trade on July 17, PRC has sent its ships to Indonesian ports such as Tanjung Priok (Jakarta), Tanjung Perak (Surabaya), Ujungpandang (South Sulawesi) and Belawan.

The PRC delegation to the meeting was very much impressed with the excellent service at the Belawan port, and expressed the hope that the goods from PRC be immediately sent to the purchasers.

Head of the Belawan port administration Ir. Hanry Sukirno on the other hand asked PRC not to send ships of more than 25 years old to Indonesia.

Ping Ji An also expressed PRC's surprise over the fast progress of Indonesian trade business, since in the 1960's it was PRC who sent more goods to Indonesia, not the other way round as it is now.

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CSO: 4200/405

INDONESIA

SUDHARMONO ON IMPLICATIONS OF TRADE WITH PRC

BK231149 Jakarta MERDEKA in Indonesian 19 Dec 85 p 1

[Excerpts] Jakarta, Wednesday [18 December], MERDEKA--Minister and State Secretary Sudharmono has reiterated that the pattern of Indonesian-PRC trade relations is not an indication of the Indonesian government's intention to normalize diplomatic relations with the PRC. He said that trade overtures made by the private sector are solely designed to promote nonoil and nongas exports and that the PRC has great potentials as a market.

The minister and state secretary was speaking in a working meeting with the Parliamentary Commission II chaired by Commission Chairman Naya Iskandar at the building of the Indonesian House of Representatives in Jakarta on Wednesday.

Briefing the Parliamentary Commission II, Sudharmono said that trade links with the PRC cannot be treated in the same way as our trade links with other countries in view of the dominant influence of Marxism-Leninism on the PRC's policy. "This means that we cannot rule out a possible exploitation of these trade relations for their political interests, and accordingly we must remain vigilant toward this possibility," Sudharmono said.

According to Sudharmono, the vigilance is manifested in the consolidation of the Pancasila ideology and the holding of refresher courses and seminars to provide information and explanations about the possible political implications of these trade relations.

The government has taken other preventive measures to counter such possible political implications in addition to holding refresher courses and seminars for members of the Indonesian Chamber of Commerce and Industry who will be directly involved in undertaking these relations. The preventive measures include special immigration regulations for Indonesian businessmen wishing to go to the PRC and vice versa.

Sudharmono went on to say that the government has also restricted calls by PRC flagships to Belawan, Tanjungpriok, Tanjungperak, and Ujungpandang. He added that PRC flagships can only call at other ports when necessary with a special permission.

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CSO: 4213/58

ROK TRADE MISSION EXPLORING INVESTMENT POSSIBILITIES

Jakarta ANTARA NEWS BULLETIN in English 14 Nov 85 p A 1

[Text] Jakarta, Nov 14 (ANTARA)—The visiting South Korean Industrial Federation mission led by former Minister of Finance In-Sang Song, is willing to explore possibility of making investment in Indonesia, it was learned here Thursday.

The 20-man mission arrived here on Wednesday evening for a three-day visit to the country, during which members of the mission will have talks with several cabinet ministers.

Upon the mission's arrival here, In-Sang Song told newsmen that the visit is aimed at enhancing the existing economic and trade relations between South Korea and Indonesia and exploring the possibility of South Korean businessmen making investment in the country.

He also said that the two countries have been facing some difficulties in stepping up export volumes during the current protracted recession, therefore Indonesia and South Korea as developing nations have a common interest to seek a way out.

Touching on the trade relations between the two countries Song said that his side was not satisfied with the current situation although the trade volumes between the two nations have been increasing gradually from time to time.

In this connection, he went on South Korea is willing to increase its import from Indonesia, and in return Indonesia should also step up its import from ROK in order to improve the current trade balance which has been favouring Indonesia.

According to data from the Ministry of Trade, South Korea is the fourth biggest trade partner of Indonesia with an export value of about US$.653 million in 1984.

Indonesia's main export commodities to the Republic of Korea last year were oil products worth US$516 million, while other non-oil/gas commodities consisting of plywood, tin, rubber, coffee and rattan were only valued at about US$.137 million.

Indonesian import value from South Korea was about US$.254 million in 1984. Commodities imported from South Korea consisted of concrete iron, ships, plastic materials, machineries and electronic goods.

South Korea is scheduled to import liquefied natural gas from Indonesia as of 1987 worth US$.600 million annually.

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CSO: 4200/405

TRADE WITH TAIWAN NOT AFFECTED BY TRADE WITH PRC

Jakarta ANTARA NEWS BULLETIN in English 11 Nov 85 p A2

[Text] Samarinda (East Kalimantan), Nov 11 (ANTARA)--The East Kalimantan trade of various commodities with Taiwan is not affected by the new government's policy to open a direct trade with China, it was learned here.

Head of the East Kalimantan office of the Ministry of Trade Tigor Gultom told newsmen here Monday that during the last nine months East Kalimantan earned about US$.6 million in foreign exchange from its export of various non-oil/non-gas commodities to Taiwan.

East Kalimantan has been exporting sawn timber, plywood, blockboard, coal and amoniac to Taiwan.

Tigor Gultom further said that plywood is on top place of various commodities exported to Taiwan with a total volume of 11,000 cubic metres valued at US$.2.4 million, followed by amoniac (11,800 metric tons) worth US$.2 million, and coal (51,000 metric tons) valued at US$.1.4. million.

The other commodities yielded lesser amount of revenues for the province, he added.

Taiwan was the fourth biggest importer for the East Kalimantan commodities after the United States, Japan and Hong Kong for the 1983/84 period.

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CSO: 4200/405

PRC OFFICIALS STUDYING TRADE POSSIBILITIES IN UJUNGPANDANG

Jakarta ANTARA NEWS BULLETIN in English 11 Nov 85 pp A2, A3

[Text] Ujungpandang, South Sulawesi, Nov 11 (ANTARA)--The People's Republic of China (PRC) needs a lot of Indonesia's commodities, Zhang Ragiao, deputy manager of Sinochart (a state-owned company under the Chinese Trade Department), has said.

Speaking before members of South Sulawesi KADIN (chamber of commerce and industry) here Sunday, Ragiao said his country needs among others cement, fertilizers, rubber, coffee, and gas products from Indonesia.

At present, a four-member delegation from Sinochart is visiting here to make a feasibility study of a direct trade on those commodities.

During their stay in Indonesia, the delegates also visit some important harbours like those in Jakarta, Surabaya, and Belawan, as a follow up the memorandum of understanding signed last July.

The delegates, who came to Indonesia in a return visit, are studying the kinds of commodities they can purchase.

Answering questions from newsmen, Advisor of the South Sulawesi KADIN Drs. Burhamzah MBA said that Indonesian entrepreneurs should be more active in promoting their commodities.

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CSO: 4200/405

HABIBIE CALLS FOR MERGER OF CAR ASSEMBLY PLANTS

Jakarta ANTARA NEWS BULLETIN in English 12 Nov 85 p A7

[Text] Jakarta, Nov 12 (ANTARA)--It will take a long time for Indonesia to establish its own automotive industry, if the present condition of the industry itself still remains unchanged, according to Minister of Research and Technology B.J. Habibie Monday.

In an address at the 3d International Pacific Conference on Automotive techniques proceeding here until Nov. 14, the minister cited the excess number of the country's automotive assemblers which have so far turned out so many models of vehicles as a major barrier making Indonesia difficult to shortly set up its own automotive industry.

"There are at present 21 automotive assembling plants, whereas the ideal number is only three at the utmost," said Minister Habibie, describing the domestic car market on the other hand as very limited and the purchasing power as very dependent on the national growth.

"As a result, the automotive production in the past few years has continued to drop," he said showing the figures that in 1982 the car production reached 188,551 units, down to 155,180 units in 1983. And in 1984, it continued to move down to 153,678 units comprising 23,376 passenger cars and 130,302 vans and trucks.

The minister estimated that the car production will not increase until 1988 in the face of the still weakening market.

According to Minister Habibie, to overcome the problems and to materialize the national goal of producing Made-in-Indonesia cars, is to cut the present number of brands into mergers. In this respect, he hoped the automotive assemblers would voluntarily merge, so their capital will become stronger.

Another effort, he continued, is to leave the car brands decrease naturally. In the sense, the sales continue to drop and get uneconomical any longer.

If they could quickly merge so that there would be only three major car industries left, it was certain that by the next five years, an Indonesian car industry would be realized, he assured.

The conference discussing some 115 papers on automotive technology is attended by 356 automotive engineers from nine countries, notably the United States, Japan, Australia, Korea, China, India, Egypt, Britain and Indonesia.

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CSO: 4200/405

INDONESIA

DOMESTIC FUEL OIL CONSUMPTION ESTIMATED TO DECREASE IN PELITA IV

Jakarta ANTARA NEWS BULLETIN in English 17 Nov 85 p A 1

[Text] Jakarta, November 16 (ANTARA)--Domestic consumption of fuel oil during the current Five-Year National Development Plan (Repelita IV) is estimated to decrease, because the use of fuel oil for industry, especially cement and the steamed-power generating plants, will be replaced by coal and gas in the future.

Data from the Ministry of Mines and Energy here showed Saturday that the domestic consumption of fuel oils during the 1984/85 period totalled about 24,710,000 kilolitres consisting of avigas (11,000 kilolitres), avtur (607,000 kilolitres) super and premium gasoline (4,097,000 kilolitres) kerosene (7,200,000 kilolitres), automotive diesel fuel (7,725,000 kilolitres), industrial diesel fuel (1,603,000 kilolitres) and residual fuel oil (3,470,000 kilolitres).

The data also disclosed that the domestic consumption of the fuel oils during the current (1985/86) period is estimated to reach a total of about 25,500,000 kilolitres. The figures will decrease into 25,147,000 kilolitres for the following period of 1986/87, while in the 1987/88 period the consumption of fuel oil will drop again into 25,081,000 kilolitres and the later figures will fall again in the 1988/89 period to a total of 24,999,000 kilolitres.

President director of the state-owned oil and gas company Pertamina A.R. Ramly told ANTARA in Tanjung Pandan, South Sumatra, last Thursday that his company will in the future be drafting a dynamic fuel oil transportation and distribution system in the light of maintaining a stable supply of energy.

For the first step, A.H. Ramly said, Pertamina is currently constructing fuel oil distribution networks by installing pipelines linking main terminal to various towns, particularly in Java.

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CSO: 4200/406

SOUTH KOREA ASKS INDONESIA FOR GAS CONTRACT FLEXIBILITY

HK161031 Hong Kong AFP in English 0921 GMT 16 Dec 85

[Text] Jakarta, Dec 16 (AFP)--South Korea today appealed to Indonesia to be flexible in the implementation of a 20-year contract to supply liquefied natural gas (LNG) to South Korea.

Regular shipments of the gas are scheduled to start next year and reach the contracted amount of two million tons annually by 1987 on a take or pay basis.

South Korean Minister for Natural Resources and Energy Choe Tong-kyu, speaking at the opening ceremony of a two-day meeting of the Indonesia-Korea Joint Committee for Resource Energy Cooperation, said that "difficulties still seem to stand in the way" of full implementation of the contract.

He appealed to the Indonesian side to "fully consider the difficulties" which he said arose from the lack of price competitiveness of LNG for both power generation and town gas which he said may discourage Korean energy policy makers.

"I hope Indonesia will fully consider the difficulties from which Korea is to suffer and other constraints and unfavourable circumstances which may arise from an inflexible implementation of the contract so that we can maintain a long-term energy policy for LGN in Korea," he said.

Indonesian Energy Minister Subroto in his opening speech said Indonesia was confident that the Indonesian State Oil Company Pertamina and the importer, Korea Gas Corp., would "exert their best efforts" to resolve any possible problem which may arise from the implementation of the contract.

Mr Subroto said trial shipments would begin mid-1986 and regular shipments later in the year and that construction of shipping and receiving facilities was proceeding on time.

The Indonesian minister also said his government was studying the possibility of using gas from a field discovered by Kodeco Energy Company (KODECO) off the coast of Java to fuel a nearby power station in Gresik, East Java.

The reservoir, estimated by the company to contain reserves of some 3.4 trillion cubic feet has been confirmed to be sufficient for commercial development, Mr Subroto said.

He added that the government also hoped that the Korean Mining Company Kiedeco could begin mining coal in its concession on the island of Kalimantan, where reserves have been officially estimated at 517 million metric tons.

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CSO: 4200/433

INDONESIA

PROJECTED OUTPUT OF FOREST PRODUCTS

Jakarta ANTARA NEWS BULLETIN in English 18 Nov 85 p A 1

[Text] Jakarta, Nov 17 (ANTARA)--Indonesia's log production is expected to reach 34,080 cu.m. a year at the end of 1986.

The output will be processed at home into 10.5 cu.m. of sawn timber and 5.6 cu.m. of plywood.

A source of the Forestry Ministry here said that at the end of the Fourth Five-Year Plan, the log production is targeted at 40.9 cu.m. to be processed into 12.1 cu.m. of sawn timber and 7 million cu.m. of plywood and 340,000 cu.m. of other wood processing products.

Other forest products, including rattan and sandal wood, are expected to reach 260,000 cu.m. from which the government will get an extra earning of around US$134 million of foreign exchange.

The rattan processing centres will be set up in Southeast Sulawesi, Central Kalimantan, South Kalimantan, East Kalimantan, South Sulawesi and Central Sulawesi.

In 1986 export of rattan products in estimated to pocket US$2 billion foreign exchange earning. The figure is expected to increase to US$3.10 billion at the end of the five-year plan.

Efforts will be made to rehabilitate tree-denuded and barren lands in 1986/87 including to control the use of land by nomadic communities.

Land conservation will be made on 7.8 million ha of land through reafforestation drive, the source said.

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CSO: 4200/406

INDONESIA

BRIEFS

'COCKTAIL PARTY' PROPOSAL--Denpasar, KOMPAS--Foreign Minister Mokhtar Kusumaatmaja says he has not received reports that Prince Sihanouk, a leader of the Cambodian coalition government, has abandoned the "cocktail party" proposal aimed at bringing all parties involved in the Cambodian conflict together for an informal meeting. Speaking to KOMPAS at the Bali Sol Hotel, Nusa Dua, Bali on Thursday [12 December], Mokhtar said: "Let us wait and see how the situation develops, because the 'cocktail party' proposed by Indonesia is different from that proposed by Prince Sihanouk." Pressed to comment on whether Prince Sihanouk had indeed abandoned his cocktail party proposal because the conflicting parties found it difficult to accept the proposal, Mokhtar said: "Prince Sihanouk will be one of the cocktail party participants. If he refuses to take part, the meeting will definitely never take place. So let us just wait and see." The foreign minister was in Bali to address a seminar on U.S.-Indonesian bilateral relations organized by the Center for Strategic and International Studies. [Excerpt] [Jakarta KOMPAS in Indonesian 13 Dec 85 p 12 BK] /9738

MOKHTAR VISIT TO AUSTRALIA--BERITA YUDHA comments on Foreign Minister Mokhtar Kusumaatmaja's 6-day visit to Australia which began last Saturday [14 December]. According to BERITA YUDHA, the visit signifies an improvement in Indonesia-Australia relations, and it is an expression of Indonesia's happiness over the Australian Government's understanding of developments in the East Timor issue, which had been an irritant in Indonesia-Australia relations. BERITA YUDHA is confident that Indonesian-Australian relations will further improve. The daily remembers similar past experiences. Problems arising as a result of misunderstanding have always been overcome. [Article from the press review] [Text] [Jakarta Domestic Service in Indonesian 0600 GMT 17 Dec 85 BK] /9738

MOKHTAR RETURNS FROM AUSTRALIA--Foreign Minister Mokhtar Kusumaatmaja says Indonesia and Australia have agreed to give priority to matters of mutual interest, such as global disarmament, the North-South dialogue, and multilateral economic relations. The foreign minister made these remarks on his arrival at Jakarta's Halim Perdanakusumah Airport this evening from his visits to Australia and the Philippines. He said that his visit to Australia had attracted the attention of all quarters, including the government and opposition groups in that country. During his visit to Australia, the foreign minister briefed Australian leaders on the situation in Cambodia as well as Indonesian plans to ratify the International Law of the Sea Treaty. He also signed an Australian financial aid agreement which will be channeled through the World Bank. On his way home, Mokhtar made a stop-over in the Philippines to attend the funeral of former Philippine Foreign Minister Carlos Romulo. [Text] [Jakarta Domestic Service in Indonesian 1200 GMT 19 Dec 85 BK] /9738

VETO OF JENKINS BILL--In its editorial today, MERDEKA writes of President Reagan's veto that the United States' President has restored brighter hopes to many textile- and other commodities-exporting countries to the United States with his veto on the Jenkins bill. The most important thing now is to ensure that President Reagan's veto remains effective and will not be alerted. According to MERDEKA, Reagan's veto of the Jenkins bill has definitely alleviated the currently alarming economic situation in Indonesia and it is hoped that it will continue to do so in the future. [Article from the press review] [Text] [Jakarta Domestic Service in Indonesian 0600 GMT 20 Dec 85 BK] /9738

DIPLOMATIC RELATIONS WITH SEYCHELLES--Ambassador Ali Alatas, permanent representative of the Republic of Indonesia to the United Nations, and Ambassador Giovinella Gonthier, permanent representative of the Republic of Seychelles to the United Nations, signed a joint statement on the establishment of diplomatic relations between the two countries in New York yesterday [16 December]. The statement says that the diplomatic relations at the ambassadorial level are effective on 16 December and an exchange of their ambassadors will be decided later. Copies of the joint statement have been presented to the UN secretary general for distribution to all members of the world body. [Text] [Jakarta Domestic Service in Indonesian 1500 GMT 17 Dec 85 BK] /12913

TRANSMIGRANTS FROM WEST JAVA--The West Java Office of the Transmigration Department dispatched 899 families to transmigration centers in Irian Jaya, Riau, Aceh, South Sumatera, and Central Sulawesi in November 1985. A total of 62,981 families were resettled in outer islands from West Ava from the beginning of the Fourth 5-Year Development Plan to 30 November 1985. [Summary] [Jakarta Domestic Service in Indonesian 0600 GMT 11 Dec 85 BK] /12913

MOKHTAR ATTENDS ROMULO FUNERAL--Canberra, 18 Dec (AFP)--Indonesian Foreign Minister Mokhtar Kusumaatmaja today cut short his Australian visit and flew to Manila to attend the funeral of former Philippine Foreign Minister CArlos Romulo. Mr. Mokhtar, who yesterday completed two days of talks here with Australian Foreign Minister Bill Hayden, was to have flown to Melbourne today to meet businessmen and academics before returning to Jakarta tomorrow. [Text] [Hong Kong AFP in English 0140 GMT 18 Dec 85 HK] /9738

CSO: 4200/401

KAYSONE EVALUATES LPDR PROGRESS SINCE 1975

BK270745 Hanoi NHAN DAN in Vietnamese 2 Dec 85 p 3

[Article by Kaysone Phomvihan, general secretary of the LPRP and chairman of the LPDR Council of Ministers: "A Glorious Stage of the Lao Revolution"]

[Text] On 2 December 1975, the LPDR came into being, marking an extremely important turning point in the Lao revolution.

For the first time in the thousand-year-old history of the Lao nation, a revolutionary state was founded, abolishing forever cruel colonialist, imperialist, and feudal oppression and exploitation, and ending the outdated monarchical regime. The working people of various nationalities became the real masters of their country and enthusiastically and proudly entered a new era, the era of peace, independence, unification, and socialism.

This was the brilliant result of nearly half a century of unity and valiant, staunch, and indomitable struggle of the Lao people under the correct leadership of the LPRP, the worthy successor of the glorious revolutionary cause of the Indochinese Communist Party founded and trained by great President Ho Chi Minh.

It was an illustrious victory of the lasting militant alliance and all-round cooperation among the Lao, Vietnamese, and Cambodian revolutions in the protracted, arduous, and fierce struggle against the common enemies, for independence, freedom, and socialism.

It was also a victory for the great, valuable, and effective support and assistance of the Soviet Union, the socialist community, and the forces of peace, national independence, democracy, and social progress throughout the world. It was a victory for invincible Marxism-Leninism.

Entering the new stage, the Lao revolution has extremely favorable conditions. The LPRP, tempered in the flame of struggle, has grown quickly to lead the revolutionary cause to new victories. The Lao people, closely united, are determined to overcome all difficulties and build a bright future. All three fraternal countries of Laos, Vietnam, and Cambodia have regained independence and freedom, are united with each other, and are helping, complementing, and coordinating with one another in their national construction and defense. The mighty socialist system, with the Soviet Union as the mainstay, has been constantly consolidated and developed.

However, the situation in Southeast Asia and the world over the past 10 years has become extremely tense and complicated. Expansionism in collusion with U.S. imperialism and other reactionary forces in the region is frantically opposing the revolution of the three countries on the Indochinese peninsula in an attempt to realize its expansionist ambitions. The U.S. imperialists have returned to the region with the help of the expansionists and are pursuing a policy of containment and sabotage in the hope of weakening Laos, Vietnam, and Cambodia, checking the revolutionary trend, and keeping other countries in the region under their sway. Once again, the earnest aspiration of the Lao, Vietnamese, and Cambodian people to work in peace in order to heal the wounds of war and rebuild their countries is facing a serious threat.

On the other hand, the Lao economy, which has been heavily devastated by war, remains poor and backward; thousands of towns and hamlets must be rebuilt; hundreds of thousands of people who were herded into concentration camps of the U.S. imperialists and the puppet administration must be helped to settle into a stable life; and the economy in the newly liberated areas, which were totally dependent on the imperialists and foreign countries, must be completely transformed. In such conditions, the struggle for national defense and socialist construction in Laos over the past decade has taken place in an extremely fierce and complex manner.

Firmly grasping the law of evolution of our time that "national independence is closely linked with socialism," the LPRP has studied and applied Marxism-Leninism and the experience of various fraternal countries to the specific situation of Laos, thus opening for itself a new concrete road to socialism.

Standing at the outpost of socialism in the region and having to cope directly with large hostile forces, the LPRP advocates simultaneously carrying out and closely combining two strategic tasks: defending the fatherland and building socialism. Seeing through the enemies' insidious schemes at an early date, the party has attached great importance to the strategic task of national defense and has affirmed that to defend the Lao fatherland does not mean to defend only its sovereignty and territorial integrity but also the new regime, the solidarity and concord of the people of various tribes, and the line of international alliance and solidarity of the party. The enemies are carrying out the strategy of multifaceted war of sabotage to oppose the Lao revolution; for this reason, the task of national defense must always be combined with that of socialist construction in all areas and at all levels, especially in the economic and economic domains. At present, combining economic building with national defense and security has become a principle in the cause of the Lao revolutionary struggle. Realities over the past 10 years have proved that, thanks to the firm defense of its independence and sovereignty and the maintenance of public order and security, Laos has been able to successfully implement its plan for economic and cultural rehabilitation and development and to achieve great success in carrying out its first 5-year plan. In return, the successes made in transforming, building, and developing the economy and culture and in improving the standards of living of the people of various tribes have been one of the most fundamental factors contributing to stabilizing the situation and consolidating and building the all-people, comprehensive national defense and security system.

The Lao people and army, under the correct strategic and tactical direction of the party, have taken the initiative in attacking the enemies militarily, politically, and diplomatically, in order to divide them and check the adventuristic nature and war hysteria of the direct and most dangerous enemy, thereby foiling piece by piece their plan to sabotage the Lao revolution. Their scheme of strangling the LPDR has failed and the U.S. imperialists' postwar plan has also gone away. All the expansionist forces and their puppets have been driven out of Laos. All their schemes to foment rebellion and social disturbances and their hundreds of provocations and border-grabbing attacks -- of which the most striking was the illegal occupation of the three Lao hamlets in Sayaboury Province by the ultra-rightists within the Thai ruling circles -- have been smashed by the Lao army and people.

The enemies' strategy of multifaceted war of sabotage aimed at weakening the revolutionary forces from within, applying outside pressure, and combining efforts inside and outside the country to peacefully annex and subvert Laos was and is still suffering heavy blows. The national defense and security system of Laos has been constantly consolidated. The armed and security forces have ceaselessly developed in all respects to serve as the mainstay to help the people successfully defend the fatherland, thus proving themselves to be a worthy and reliable instrument of the party's dictatorship in the new stage.

In conjunction with the task of defending the fatherland, the new regime, and the people's peaceful labor, the party also advocates working against time and making an extraordinary effort to build and develop the economy and culture, considering this to be the most fundamental and decisive task in building socialism.

The party strives to build an independent and socialist economic system, "using agriculture and forestry as the basis for developing industry; putting industry at the service of agriculture, forestry, communications, and transportation; and building the agricultural-forestry-industrial economic structure right in the localities and basic units."

To transform its natural, self-supplying economic system, develop it in the right direction, and advance it toward socialism, bypassing the stage of capitalist development, the party advocates simultaneously organizing and developing goods production and advancing small-scale production to large-scale socialist production. These two processes must be carried out at the same time so that they may be closely associated with each other and support and stimulate each other, thus helping develop the production forces, gradually improve the living standards of the people of all tribes, and accumulate capital for achieving socialist industrialization step by step and in a selective manner.

Distribution and circulation play a very important role in the transformation of the natural economy and the advancement of the small production system to socialist large-scale production. The party's policy is "to consider trade as the main link and communication and transportation as the spearhead, to simultaneously apply the various economic levers to boost production..." -- with special attention given to the signing of two-contracts between the state and the producers, first of all peasants of the various tribes. This is not only a measure that enables the state to control goods and money and guide production activities, but also a very important factor for consolidating the worker-peasant alliance in the new revolutionary stage. In recent years, the specific viewpoints and policies adopted by the Lao party and state in the distribution and circulation domain have vigorously stimulated production even in remote mountainous and rural areas. They have initially broken the stagnation resulting from the system of self-supply that existed for thousands of years, introduced economic exchanges between villages, localities, and regions; created conditions for gradually applying science and technology to production; eliminated step by step backward work practices and superstitious beliefs; and greatly contributed to the realization of the revolutions in production relations, in science and technology, and in culture and ideology.

Following the overthrow of the small and weak exploitative class in Laos, as the production capacity of the old society is very low, and the newly emerged production force is not yet capable of catching up with the progressive production relations that are being systematically established, the party's policy is "to closely combine economic transformation with construction, with construction being the main aspect in which it is most important to build the production forces and train a new type of men who know how to conduct production, business, and economic management activities." The state has devised policies for using all the five economic components to develop production, with priority given to building the state-run and collectivized economies so as to enable the socialist economic components to constantly develop their leading role in the national economy. Family-based economy is an indispensable component of the socialist economic system in Laos. With specific assistance and guidance from the state, the family-based economy positively contributes to improving the living conditions of cadres, workers, and state employees; and, together with the state, it has succeeded in overcoming some of the immediate difficulties.

In their strategy for the multifaceted war of sabotage, the imperialists and expansionists are intensifying sabotage activities against our economy and everyday life in a frenzied, subtle, and perfidious manner. Through cunning maneuvers, they are undermining the implementation of the Lao party's and state's economic viewpoints and policies; sabotaging production and business establishments; resorting to economic dealings to buy, corrupt, and discredit our cadres; and infiltrating our internal ranks for sabotage purposes in a bid to weaken the people's confidence in the revolution. It can be said that sabotaging the economy -- taking advantage of our economic difficulties and shortcomings to erode the forces of the revolution like "termites eating away at a house" -- is a main content and measure of the scheme for annexation and subversion by peaceful means conducted by hostile forces in the past. To win victory on this hot, fierce, and complex front it is necessary to mobilize the aggregate strength of the revolution, most importantly, by realizing the motto of closely linking national defense and security with the economy and vice versa. This is also meant to concretize in practice the law "national construction must go together with national defense" in Laos. By developing to a high degree their aggregate strength at home, effecting close economic integration and comprehensive cooperation with Vietnam and Cambodia and close cooperation with the Soviet Union, and relying totally on the socialist community, the Lao people have recorded great successes on the economic and everyday life front and step by step defeated the scheme of economic encirclement, manipulation, and sabotage conducted by expansionism and imperialism in a bid to subdue Laos and force it to follow their orbit.

It is of decisive significance vigorously to change and strengthen the tasks of organization and implementation, among which are such prominent issues as promptly materializing lines; defining guidelines, steps, and forms appropriate to the economic standards and realistic capabilities of the country; and establishing a dynamic and effective system of management. The Lao party and state have advocated the policy of using many intermediary and transitional steps and forms to transform the relations of production, build and develop production forces, conduct the basic and advanced training of cadres and workers, familiarize the people with the new revolution, and build a new economy. The establishment of a new management system must be linked closely to the struggle to eliminate the management system of bureaucratic centralism and subsidization, which is restraining economic development. Its inertia lies in the highly negative habits of leading and economic management cadres. Authority must be vigorously decentralized and delegated to localities and primary installations and all activities transferred to the grass-roots level to build comprehensively strong and firm primary installations, to advance from these installations, and to combine local work with central work within the framework of cooperation between the state and people. Socialist accounting and business transactions must be emphasized, the economic levers (prices, wages, money, and so on...) satisfactorily applied, and education and political and moral motivation combined with material incentives to stimulate production and motivate workers to produce enthusiastically, improve their technical work and productivity, lower production costs, and constantly increase the economic results. In accounting, attention should be paid to eliminating irrational and negative factors in the old system and advanced norms must be established. The experimental implementation of Laos' First 5-Year Plan has shown that these steps and measures have stirred up the enthusiasm and creativity of workers, developed the potential of the country, and ensured the effective use of international aid.

Although the past 10 years are only a short period, the Lao people have scored many great and increasingly steadier successes in several fields. The total volume of grain production has doubled in comparison to 1976, and the entire country has become basically self-sufficient in grain.

Industrial crops have developed well: Coffee has quadrupled or more, tea has tripled or more, and tobacco has nearly quadrupled. Livestock herds have been restored and developed so that there is now one buffalo or ox to every two people. Although industry is still small, it is developing along the socialist line and supporting agriculture, forestry, and communications and transportation well. The total volume of industrial production has increased by 4 and 1/2 times in comparison to 1976. Some of the major sectors have developed well. Electricity has nearly quadrupled and lumber exploitation and processing have increased by 10 times or more. Thousands of kilometers of new roads and hundreds of bridges have been built. Distribution and circulation have constantly improved and expanded. The collection and purchase of forest products have increased by six times as compared to 1976. Exports have increased with exports to socialist countries alone rising by 436 percent. The material and technical bases of agriculture, industry, and communications and transportation are being built. The new production relations have been established and gradually consolidated in the entire national economy.

Illiteracy has been eliminated nationwide. One person in four is attending school. The number of students graduating yearly from colleges, vocational schools, and general middle schools is equivalent to the total number of students at all levels in the former regime. Generally speaking, in the past 10 years the Lao economy and culture have gradually changed and developed comprehensively. The material and spiritual lives of the people of all strata have further improved.

The Lao tribal people are very proud of their profoundly significant achievements in national defense and socialist construction in the past 10 years and are all the more grateful to all friendly and fraternal countries -- both near and far -- for their great, friendly, and effective assistance and cooperation.

At a time when socialism has become a world system and against the background of the very fierce struggle between the forces of peace and revolution and the imperialist and reactionary forces, the strategic and combative alliance among the revolutionary forces in the world and each region to defeat the policies of belligerence, annexation, and aggression of the imperialists and reactionaries; to defend peace; and to develop the revolutionary gains has become an objective law.

The relationship among the Lao, Vietnamese, and Cambodian revolutions is a special relationship among nations that have geographical, historic, and long-standing sentimental relations. They have a common enemy and have fought side by side for a long time to gain independence and freedom and to advance to socialism. The laws of combative alliance and comprehensive cooperation have shaped up and operated for the survival and prosperity of each nation. They have created the unbreakable strength to defeat the enemy, win and preserve the independence of each country, guarantee the steady advance to socialism for each nation, and bring about a life of plenty and happiness for their own people. These laws have created the conditions for each country to develop to the fullest extent its capabilities and potentials and to best secure international aid for national construction and defense. The Lao people have profoundly realized that, in the long and lasting relations of alliance among the three countries, Vietnam has always played the key role and has fulfilled its glorious duty finely. To help strengthen Vietnam positively is also to make the position and strength of the alliance increasingly steadier, and the Lao people consider it their self-imposed responsibility.

To note and comprehensively cooperate with the Soviet Union and other countries in the socialist community constitutes an important factor that decides the success of national defense and socialist construction in Laos. The current world situation is tense and very complicated as a result of the adventurous policy of the U.S. imperialists and reactionaries, who are frenziedly conducting the nuclear arms race and bringing it into outer space, frantically counterattacking the revolutionary movement for peace, and spearheading their attack on the Soviet Union. The LPRP contends that maintaining close solidarity with the Soviet Union and supporting the tireless Soviet efforts in the struggle for peace and the security of all nations against the danger of a nuclear war is the primary and urgent strategic duty of all mankind. The Lao people warmly welcome the goodwill and the efforts, reflecting a high sense of responsibility, of Comrade M.X. Gorbachev, the general secretary of the CPSU Central Committee, during the Soviet-U.S. summit in Geneva. They have positively contributed to building a healthy atmosphere of trust in the world to reduce the arms race gradually and prevent an exterminating nuclear war.

The U.S. imperialists' plot to control Asia and the Pacific; the ambition of expansionism for more land in neighboring countries; their hostile policy toward Vietnam, Laos and Cambodia; their instigation of political and military confrontation between the two groups of countries in the region, and their gross invervention in other countries' internal affairs are the causes of the tense and unstable situation in Southeast Asia. The LPDR fully supports the necessary measures taken by the PRK and the SRV to defend their countries and expects the proposals full of goodwill by Laos, Vietnam, and Cambodia to receive a positive response from the countries involved so that together we will build a zone of peace, stability, and cooperation without outside intervention in the internal affairs of the regional countries.

Uniting the nonaligned countries and persistently pursuing the fundamental goals of the movement constitutes the unswerving policy of Laos. The LPDR highly appreciate the role of the nonaligned countries and the extremely important contributions of the Republic of India to the consolidation of peace and security in Asia and the rest of the world and to the struggle against imperialism and colonialism for national independence and a new just and rational international economic order. The Lao people warmly support the Asian, African, and Latin American countries' struggle to defend national sovereignty and gain independence and freedom and are convinced that this just struggle will surely triumph.

To carry out successfully the undertaking to defend the fatherland and build socialism in Laos, the most decisive factor consists of making the party firm and strong politically, ideologically, and organizationally through the realities of struggle and positively and urgently fostering and training the contingent of cadres in accordance with the development of the revolution.

The LPRP -- A Marxist-Leninist political party that has attained maturity through a fierce and protracted revolutionary struggle -- is closely attached to the people and the mass movement. It always firmly upholds its revolutionary and scientific viewpoints nad closely combines universally recognized truths with actual national conditions to define its policies and actual activities.

The former struggle for national liberation and the present undertaking to build socialism in Laos at present have made it clear that setting forth correct lines is extremely important for the success of the revolution. At the same time, organizing the implementation of such lines is also an extremely crucial issue that has a decisive bearing on the effort to translate these lines into realities of the revolution. Organizing implementation requires clear sightedness and steadfastness, the capability to lead and manage the country in a comprehensive manner, scientific methods for conducting the revolution, an unprecedentedly close attachment between the party and the masses. The process of organizing implementation is also a process of thoroughly understanding the prescribed lines; concretizing and perfecting these lines; fostering and training cadres; improving methods for leadership, organization, and management; and combatting the manifestations of conservatism, subjectivism, impatience, individualism, bureaucratism, and alienation from the masses, which pose a great danger to a party in power. In this process, it is crucial to foster and train cadres, constantly improve the quality and capability of cadres and party members, and build the party into a unified bloc in thought and action. To meet the requirements in the new stage of the revolution, the Lao party is carefully fostering and developing the generation of cadres who have reached maturity through the national and democratic revolution and, at the same time, training and promoting with extreme vigor the next generation of cadres, specialized cadres, and scientific and technological cadres. The most fundamental measure for enhancing the quality and capability of cadres is to improve their understanding of socialism and their ability for economic management and to train them during the process of organizing the implementation of party lines and policies. The basis for training the contingent of cadres is the building of a new type of socialist men and the seething, continuous revolutionary movements that are being conducted by the armed and security forces, the working class, the peasantry, and the socialist intelligentsia in Laos.

In the past 10 years, through its own efforts, the party has doubled its membership. The number of leading cadres of district level or higher has quadrupled and the number of scientific and technical cadres has increased by six times or more. Old and new cadres have closely cooperated with one another and developed their role satisfactorily.

The vigorous development of the contingent of cadres in close connection with the qualitative enhancement of this contingent in the past 10 years is a very important achievement that has greatly contributed to making the LPRP comprehensively strong, firm, and worthy of being the organizer and and leader of all victories of the Lao revolution.

Looking back over the past 10 years, the Lao people are proud of having overcome many difficulties and ordeals in the initial stage of the transition to socialism, of having increasingly strengthened their various forces, and of having created some important political and socioeconomic premises from which to steadily advance on their chosen path.

Although the struggle ahead is still very difficult and dangerous, the Lao people firmly believe that with the strength of harmonious solidarity and fine traditions of a stalwart and indomitable nation under the leadership of a genuine Marxist-Leninist party that has been winning victories in dangerous circumstances, and with the alliance, solidarity, and cooperation with the fraternal and friendly countries in the world, they will score glorious victories in building a peaceful, independent, socialist, and prosperous Laos.

On the occasion of the Lao nation's great festival, I would like to convey through NHAN DAN my warm greetings, comradely sentiments, and most cordial fraternal feelings to the Vietnamese people. I would like to express my profound gratitude to the Vietnamese party, stage, armed forces, and people for having strongly, wholeheartedly, and effectively supported and assisted the Lao revolution in the past half century or more of combat side by side.

May the Vietnamese people, under the leadership of the CPV headed by respected and beloved General Secretary Le Duan, victoriously fulfill the Fifth Party Congress objectives, score outstanding achievements to greet the Sixth Party Congress, and build the heroic SRV, the firm mainstay of the combative alliance and comprehensive cooperation among our three fraternal countries.

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DEFENSE MINISTER GREETS SRV COUNTERPART ON ANNIVERSARY

BK251522 Vientiane Domestic Service in Lao 0430 GMT 22 Dec 85

[22 December greetings message from Khamtai Siphandon, LPDR minister of national defense, to General Van Tien Dung, SRV defense minister]

[Text] Respected comrade minister, on the occasion of the 41st anniversary of the founding of the VPA, on behalf of cadres and combatants in the entire LPA and in my own name, I extend warm greetings and best wishes to you and, through you, my cordial love and solidarity to all cadres and combatants in the entire VPA.

Under the wise and clear-sighted leadership of the CPV, loyal to Marxism-Leninism and the great President Ho Chi Minh's teachings, and with its tradition of staunch revolutionary struggle and noble internationalist spirit, the VPA has recorded many glorious exploits and, together with the entire Vietnamese nation, defeated all enemy aggressors, thus fulfilling its obligations toward the nation as well as its glorious international obligations.

At present, the VPA has become a strong and daily modernized army and a firm mainstay for the cause of national defense, thus making a positive contribution to building socialist Vietnam and to the cause of building and defending the socialist outpost in the Indochinese Peninsula and to the defense of peace and stability in Indochina, Southeast Asia, and the world.

The LPA is very pleased with having a staunch comrade-in-arms as the heroic VPA and considers the growth and all victories recorded by the VPA as a glorious example and as a great encouragement and direct support for the LPA as well as an important contribution to the consolidation and strengthening of the special militant solidarity and alliance between Laos and Vietnam and among Laos, Vietnam, and Cambodia.

The LPA and the Lao people express gratitude and deep thanks to the party, state, people, and people's army of Vietnam for their precious and sincere support and assistance for the Lao revolution.

The LPA and the Lao people express gratitude and deep thanks to the party, state, people, and people's army of Vietnam for their precious and sincere support and assistance for the Lao revolution.

On this glorious occasion I wish the heroic VPA new, greater success in the cause of building and building socialist Vietnam entrusted to it by the Vietnamese party and people.

May the great friendship, special relations and solidarity, and all-round cooperation between the armies and peoples of Laos and Vietnam last forever and grow continuously! I wish you, comrade minister, happiness and more success in your heavy but honorable tasks.

Vientiane, 22 December 1985

[Signed] General Khamtai Siphandon, minister of national defense of the LPDR.

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VIENTIANE RIDICULES SON SANN RESIGNATION THREAT

BK280502 Vientiane Domestic Service in Lao 0530 GMT 23 Dec 85

["Talk": "Son Sann's Desperate Threats"]

[Text] No one can fail to admire the exiled Cambodian reactionaries, who are still on the run in Thailand and China, for their quality of lack of any principles, their hypocrisy, and their resorting to threats as a bargaining tool in dealing with internal disputes.

Here is one of many examples: After failing in efforts to send stooges rallying in Thailand to oppose the revival efforts of the PRK's people -- particularly after the Cambodian people, in coordination with Vietnamese volunteer forces, had conducted suppression operations to wipe out his nests in the Phnum Malai mountainous area in last year's dry season -- Sihanouk announced that he would resign from the tripartite Cambodian reactionary group, blaming the murderer Pol Pot for the grouping's loss of influence and its lack of any hope for victory. As for Son Sann, acting head of the so-called KPNLF, he said that the grouping could not coexist with Sihanouk and that the leaders of the Khemr Rouge will find it difficult to cooperate with the group as long as Sihanouk is present.

According to VOA on 20 December, even though Thai authorities tried to talk Son Sann into healing his rupture with Sihanouk to avoid internal disputes, Son Sann, ignoring the advice, went as far as to threaten to resign if his colleagues remaining in exile in Thailand refuse to join him.

Pol Pot, realizing that his reputation has been stained by the genocidal policy of his reign in Cambodia, pretended in Beijing in August this year to want to resign from his post.

Nevertheless, all these acts are only a theatrical play to cover up internal disputes and win the sympathy and additional assistance of the imperialists and the bellicose reactionary forces currently supporting the grouping.

Yet, Son Sann recently used the old, ineffective trick. According to the BBC on 20 December, Son Sann threatened to resign, although no one knew his whereabouts. Unconcerned by this threat, the Khmer Route announced the appointment of Sak Sutsakhan as commander of Son Sann's forces. Yet, Son Sann's son, who is living in a foreign country, declared that his father remains on the front line. It is believed that this front line is probably in Thai territory.

It is assumed that Son Sann is now in a hopeless position, making threats within his own group, since his words carry no weight. Nevertheless, it is certain that his replacement will not be able to do anything because this person in reality does not exist and because there is no land for him to stand on. How can these people succeed in doing other things when they cannot resolve problems in their small group of people?

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VIENTIANE QUESTIONS THAI SINCERITY ON RELATIONS

BK280736 Vientiane Domestic Service in Lao 0530 GMT 26 Dec 85

["Talk": "Ten Mouths Are Not Better Than Actual Deeds"]

[Text] Fraternity and good-neighborliness between Laos and Thailand are time honored. Any group of influential people obstructing the exchange of visits between the Lao and Thai peoples is bound to be strongly opposed by the people, because these two peoples are still bound by the fraternal spirit of sharing fish and rice.

During the past 10 years, the LPDR Government has always persisted in this fraternity and has tried its utmost to materialize an accord between the two countries. This can be affirmed in the Lao-Thai joint communiques signed in 1979 between the two governments. In this regard, the Lao Government has carried out positive activities in resolving all conflicts through peaceful means and without armed clashes. On the contrary, the Thai Government, particularly a group of reactionary military officers in power, have taken no action reflecting a sincere desire to improve Lao-Thai relations. The creation of tension along the Lao-Thai border through various forms -- sending Thai reactionary troops to attack and seize three Lao villages in Paklai district, Sayaboury Province, in June 1984; sending Mekong River patrol boats to violate Lao waters on many missions; and feeding and sending exiled Lao reactionaries in Thailand to return to Laos to sabotage the Lao people's national construction and defense efforts -- shows that the Thai side has no sincere desire to coexist peacefully with Laos.

At present, while presenting his credentials to the Lao president on 23 November, Chaiya Chindawong, new ambassador extraordinary and plenipotentiary of the Kingdom of Thailand to Laos, pledged to work to contribute to strengthening relations of good-neighborliness and bringing fine benefits to the Lao and Thai peoples. Meanwhile, some Thai authorities have always talked about fraternal relations between Laos and Thailand.

Nevertheless, it is regrettable that only words have been uttered on the creation of a constructive atmosphere -- an atmosphere of true neighborliness. Moreover, behind these words lie deception, distortion, and hostile intentions. The Lao people are awaiting actual deeds to prove the Thai side's good intentions. In his speech on the occasion of the celebration of the

10th anniversary of the establishment of the LPDR on 2 December, Comrade General Secretary Keysone Phomvihan stressed: We nurture the time-honored fraternal friendship between the Lao and Thai peoples and firmly persist in maintaining and developing good-neighborly relations with the Kingdom of Thailand on the basis of two joint Lao-Thai communiques signed in 1979. We hope that the Government of the Kingdom of Thailand will positively respond to the Lao Government's reasonable proposals.

The materialization of this depends on the sincerity of the Thai side in matching its words and deeds. The Lao people always firmly persist in their desire to have true, good-neighborly relations with the Thai people.

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ALBANIAN DELEGATION DEPARTS, ACTIVITIES CITED

BK290424 Vientiane Domestic Service in Lao 1400 GMT 27 Dec 85

[Text] The delegation of the Foreign Ministry of the People's Socialist Republic of Albania led by Deputy Foreign Minister Sokrat Plaka left Vientiane for home on 26 December. It was seen off at the airport by Khamphai Boupha, first deputy foreign minister of the LPDR, and a number of cadres concerned.

In response to the LPDR Foreign Ministry's invitation, the Albanian Foreign Ministry delegation led by Comrade Sokrat Plaka paid an official friendly visit to the LPDR 23-26 December. During his stay in Laos, Comrade Sokrat Plaka paid courtesy calls on Comrade Souphanouvong, member of the party Central Committee Political Bureau, president of the LPDR, and chairman of the SPC, and Comrade Phoun Sipaseut, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers and minister of Foreign Affairs. At the meetings the guest and the hosts held talks in an atmosphere of profound friendship. In addition, the Albanian delegation visited economic bases and ancient ruins in Vientiane.

A delegation of the LPDR Foreign Ministry led by First Deputy Foreign Minister Khamphai Boupha and the Albanian Foreign Ministry delegation led by Comrade Deputy Minister Sokrat Plaka held a meeting and talks with the spirit of friendship and mutual understanding. Both sides informed each other of the success of the construction of economic, cultural, and social bases in their respective countries and exchanged views on matters of mutual concern and mutual interest. The Albanian side sincerely hailed the Lao people's success in their national salvation struggle against the imperialist aggressors and the enemies of the Lao revolution in the past as well as the success of their national defense and construction along the path of socialism. The Lao side hailed and praised the glorious successes and victories recorded by the Albanian people during the past 41 years of their national defense and construction.

On the occasion of the Albanian delegation's visit, an agreement on cultural exchange between the LPDR Government and the government of the People's Socialist Republic of Albania for 1986-87 was concluded. Both sides also discussed the possibility of economic and trade relations and cooperation in the future. They discussed international issues cf mutual interest. Regarding this, the Lao side informed its Albanian counterpart of its attitude toward the world situation and the situation in Southeast Asia and the LPDR Government's efforts to improve relations between Laos and the neighboring countries as well as the Lao people's struggle to contribute to the consolidation of peace, stability, and cooperation in Southeast Asia.

The Albanian side explained on the Albanian Government's policy toward Europe and its efforts to establish good relations with its neighbors.

Both sides expressed satisfaction with the development of the friendly relations between Laos and Albania and unanimously agreed to continue meetings on the development of bilateral relations and on international issues of mutual interest. Both sides expressed profound satisfaction at the fruits of this visit, which will contribute to the future development of fraternal friendship and cooperation between the two countries and peoples.

The Albanian delegation expressed thanks to the LPDR leaders and the Lao people for their warm welcome accorded the delegation during its visit to the LPDR.

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VIENTIANE RALLY MARKS 41ST ANNIVERSARY OF VPA

BK241042 [Editorial Report] Vientiane Domestic Service in Lao at 1230 GMT on 21 December carries a 26-minute report with portions recorded on a "grand" rally organized by the military command of Vientiane municipality on the afternoon of 20 December in celebration of the 41st founding anniversary of the VPA, 22 December. The announcer says "the rally is attended by hundreds of cadres and combatants. President as members of the presidium of the rally are Comrade Brigadier General Chanko Phimmason, deputy chief of the Army General Political Department and representative of the National Defense Ministry; Comrade Colonel Mhonglai Kommasit, chief of the Foreign Relations Department of the National Defense Ministry' Comrade Dr Siho Bannavong, vice chairman of the Vientiane municipal administration; and Comrade Lieutenant Colonel Siboun, chief of the military command of Vientiane municipality; together with comrade representatives of the Army General Staff and General Logistics Departments attached to the municipal military command. Also attending as guest of honor at the rostrum of the presidium is Comrade Colonel Nguyen Dinh Tran, military attache of the SRV Embassy to the LPDR."

At the rally, "Comrade" Lt Col Siboun, chief of the Vientiane municipal military command, delivers a speech. In his 12-minute recorded speech, Col Siboun recalls the birth, growth, development, strength, and "victories" of the VPA over the past 41 years. He notes the "fine traditions of militant alliance" between the armies of Laos and Vietnam in the past struggle for national liberation as well as in the present struggle to defend and build "socialist" countries. Noting some significant victories of the VPA, he says: "The VPA defeated the war of aggression of the Chinese big-nation expansionists and hegemonists on the southwestern border and, together with the Cambodian army and people, fought and defeated the reactionary Pol Pot clique -- lackeys of the Beijing reactionaries -- thus saving the fraternal Cambodian nation from the genocidal danger. As a result, the Chinese strategic schemes of expansionism down through Southeast Asia have been defeated in a significant step and the socialist Vietnamese nation has been securely defended." He then recalls assistance given by the Vietnamese army and people to the Lao army and people in different stages and points to the daily strengthening of "special solidarity" and "militant alliance" between the two armies and peoples. In conclusion, on behalf of the people's army of Vientiane municipality, Lt Col Siboun expresses gratitude to the VPA for the "precious support and assistance" to Laos, saying: "Over the past 10 years, we have stood shoulder to shoulder with the Vietnamese volunteers in carrying out the task of defending the country."

Lt Col Siboun's speech is followed by a speech by "Comrade" Col Nguyen Dinh Tran, military attache of the SRV Embassy to Laos, who expresses thanks to the Vientiane military command the Lao people for organizing the rally welcoming the 41st anniversary of the VPA. He also gives a brief history of the VPA and recalls some significant victories of the VPA, including the Dien Bien Phu victory and victory in fighting to resist the "war of aggression" of the "Beijing big-nation expansionists and hegemonists" in early 1979. Regarding the fulfillment of "international obligations," he says: "The VPA assisted the Cambodian people in staging uprisings to defeat the genocidal Pol Pot-Ieng Sary-Khieu Samphan clique -- lackeys of Beijing." In conclusion, Col Nguyen Dinh Tran notes the "close militant alliance" between the VPA and the LPA over the past 41 years.

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LAOS

PROVISIONAL REGULATIONS ON STATE ENTERPRISES

BK281222 Vientiane PASASON in Lao 16 Dec 85 p 2

[Text] Provisional Regulations Regarding State Enterprises

Part I: Overall Principles

Article 1: State enterprises (which from now on will be called enterprises) are all grassroots economic units, including enterprises, combined enterprises, unions of enterprises, and companies attached to production, construction, transport, circulation, and service branches, which maintain the status of legal bodies operating businesses independently.

Enterprises carry out their operations in accordance with the mechanism of economic mastership and under the economic administrations in the areas where the enterprises are located, and all ministries concerned.

Article 2: The enterprises have the duties:

(1) to carry out business production in the direction of the state plan, dictated by economic conditions;

(2) to carry out business operations for profits so as to broaden production, improve living conditions, and contribute to increasing state budgets;

(3) to efficiently organize two things -- production and living conditions -- so as to make enterprises not just labor collectives, but also part of "a welfare community;"

(4) to ensure political tranquillity and to positively contribute to the tasks of consolidating national defense, defending the country, and protecting the environment (meaning not polluting it with poisonous elements, foul smells, and dirty liquids)

Article 3: The enterprises have the rights:

(1) to map out, implement, and review business production plans;

(2) to modify, enlarge, and increase or decrease fixed assets;

(3) to modify the organizing of business production and of management and to increase or decrease the manpower attached to the enterprises themselves;

(4) to remain free in the management of finance and the organization of utilization of capital, and to maintain the status of enterprises in accordance with their respective systems and policies;

(5) to select, accept, and utilize labor, to suspend workers from work, to manage salary sources, to implement a format for paying salaries, and to appropriately give out commendations and rewards;

(6) to train, improve, deploy, and utilize personnel in accordance with the party's and state's policy toward personnel;

(7) to purchase and sell material equipment and goods and to agree on details for setting buying or selling prices in accordance with the state's pricing policy and limits;

(8) to carry out scientific and technical research and to apply technical know-how in business production;

(9) to develop business cooperation and economic coordination and to align economic obligations with economic organizations and units concerned;

(10) complete enterprises are permitted to directly carry out import and export transactions in accordance with state regulations.

Article 4: The enterprises must map out a conveyer belt working system for their movements from the beginning to the end in a reasonable manner and in accordance with the characteristics and size of each enterprise so that offices, work branches, workshops, units, and labor units can be appropriately set up in a simple and practical way, reducing mediocrity and increasing efficiency.

Article 5: An enterprise must have a director and a number of deputy directors appointed by the state. The director is responsible for managing the enterprise in accordance with the duties and rights stipulated in Article 2 and 3 of these regulations.

Assets of Enterprises

Article 6: The assets of enterprises are composed of fixed capital and circulation capital which are partly provided by the state and partly accumulated by the enterprises themselves through production development or bank loans. Production capital will be readjusted when the state has a policy to readjust prices. The enterprises are responsible for safeguarding and increasing their production capital. If the production capital decreases, the enterprises are held responsible.

Article 7: Enterprises must manage their fixed capital in an efficient manner, ensure that machinery and other eqiupment is utilized in an extremely efficient manner and that land, buildings, workshops, and warehouses are appropriately used. The system of surveying, book-keeping, maintaining and repairing equipment on schedule must be applied. Depreciation costs must be taken into account.

The enterprises must not leave assets idle. If there are surplus assets, the enterprises concerned must report to the higher level for remedial action. If the higher level fails to take any remedial action 3 months after a report has been submitted to it, enterprises have the right to lease or sell the surplus assets to other economic organizations and, if the state and collective interests do not want to buy them, to the private sector.

Article 8: Enterprises must effectively manage and use their circulation capital, with the aim of speeding up its circulation and increasing its efficiency. The freezing of circulation capital by enterprises must be done in strict compliance with the regulations. Circulation capital should not be allowed to remain idle.

Part III: Movement of Business Production

Article 9: Enterprises must outline a long-term direction for business production, such as for 5-year and 1-year production plans.

The plans of enterprises deal with social and economic development which must encompass the following three aspects: business production, organizing of living conditions, and the training of men.

The plans must be built genuinely from the grassroots level and through the economic relations process. If the numbers of plans mapped out by the enterprises are less than those suggested by the higher level and the higher level is unable to change them by any method, the plans will remain in effect.

The plans and instructions of the state for the enterprises are plans which are mapped out by the enterprises themselves. They contain two figures of basic expectations, namely:

1. The figures on the business value or the quantity of business production; and

2. The figures on business fees and other revenues which must be given to the state as part of the budget.

The state will determine the fixed level of business fees within 2 or 3 years. Within 5 years, the definite level of business fees will remain stable. This level of business fees is regarded as an average level. Enterprises are permitted to utilize any amount of surplus business fees aside from the average level for expanding business production and improving the living conditions of workers and employees.

Article 10: Enterprises must appropriately make investment in the technical and technological fields and continually improve techniques and knowledge, with the aim of effectively serving business production.

Enterprises must supply necessary equipment to the technical and technological work sector and must inspect the implementation of all work plans and technical and technological plans in a strict manner.

Article 11: Enterprises must map out plans to consistently select, train, and promote workers and employees and to raise their cultural and technical standards. They must effectively organize a material and cultural life for them. The labor relations system must be gradually applied, aimed at guaranteeing the obligations and interests of both sides. The director of an enterprise has the right to select and recruit workers who meet standard requirements and to suspend from work those workers who fail to abide by the obligations. At the same time, workers also have the right to resign from work if the director fails to abide by the obligations or on legitimate grounds.

The enterprises must build labor units and give them production assignments so as to heighten the workers' sense of collective responsibility.

Enterprises must efficiently manage and utilize their salary budgets, study and apply an appropriate mode of paying salaries, and link salaries with the final output of the enterprises.

The method of paying salaries may be like this: income minus expenditure and M-1 and M-2 (including M-3, if available) [not further identified]. The difference is then divided among workers in accordance with the salary payment system based on the quantity and quality of labor.

The state is to stipulate the highest and lowest rates of salaries so as to avoid considerably larger margins of salaries among various enterprises and in different localities.

Article 12: Enterprises must map out plans to create reliable sources of materials for producing goods through the long-term and annual economic relations obligations.

Materials and goods of enterprises must be purchased and sold in accordance with the state princing policy: some may be transacted according to tentative prices set by the state, some according to prices mutually agreed upon by the parties concerned but within the price range specified by the state, and some according to prices mutually agreed upon solely by the two sides.

Article 13: Enterprises must ensure that they carry out business operations to generate profit and must fully and promptly pay business tax to the state in accordance with projected targets.

Enterprises must strictly implement the bookkeeping statistics system under the supervision and control of the state finance sector.

The finance ministry and the provincial and municipal administrations must have plans to train bookkeepers and to designate chief bookkeepers for all enterprises.

Enterprises must open accounts at the bank and must correctly follow procedures in depositing and withdrawing money, acquiring loans, and paying debts in accordance with the regulations. At the same time, the bank must ensure that enterprises are able to acquire loans and withdraw funds in a timely manner. It must not create problems for enterprises.

Part IV: The right to mastership of workers and employees in enterprises

Article 14: To guarantee the right of mastership of workers and employees in the enterprises, the director must coordinate with mass organizations, such as trade unions, in educating and organizing all workers and employees to take part in safeguarding all socialist assets, mapping out business production plans, adopting policies and systems in managing business production, inspecting the quality of products and the operations of all spheres of work, and carrying out production campaigns and movements in practicing thrift.

The enterprise director must coordinate with the trade unions in making sound preparations to hold meetings with workers and employees and must strictly abide by and implement all resolutions adopted at those meetings.

Article 15: Relying on the detailed conditions of each enterprise, the director must cooperate with the trade unions to set up a number of advisory organizations to assist him in managing the enterprises, such as an economic council, a campaign council, a social welfare council, and a discipline council. All members of these councils are designated by the director and the party committee for consultation with the trade unions to approve their appointments.

Part V: Organization and Dissolution of Enterprises

Article 16: The ministers and chairman of local administrative committees have the right to set up, integrate, disintegrate, transfer, and dissolve the enterprises under the scope of their management.

A work service which wants to set up an enterprise that does not conform to the nature of work under its responsibility must secure the approval of the minister who deals with that work. For example, if the ministry of agriculture wants to set up an enterprise to produce machines, it must ask for approval from the ministry of industry.

When a host of ministry wants to set up an enterprise at the central level, it must ask for the opinion of the administration of the locality where that enterprise will be constructed. When a local administration wants to set up an enterprise, it must ask for permission from the host ministry.

The document on the setting up of an enterprise must clearly spell out the name and location of the enterprise, an organization to which the enterprise is attached, the duty of the enterprise in carrying out business production, and the date and time when the enterprise will commence production.

Article 17: When an enterprise is running at a loss for a lengthy period of time or when an unfortunate event occurs, the host organization must cooperate with that enterprise in looking for the cause of the loss and seeking appropriate ways to remedy it.

When it is necessary to integrate, disintegrate, transfer, or dissolve an enterprise, the host organization must appoint a council which has the enterprise director and representatives of other organizations and units concerned as members to carry it out. This must be completed within 3 months at the latest from the day an official decision is made to effect the activity.

Part VI: Implementation of these Regulations

Article 18: These provisional regulations are applicable to all state enterprises, combined enterprises, federations of enterprises, and companies attached to the central and local levels.

Article 19: Relying on the principles and basic contents of these regulations, all ministries with enterprises under their supervision must create and announce the enforcement of the provisional regulations on industrial enterprises, the transport and postal enterprises, the agricultural enterprises (agricultural settlements), the construction enterprises (construction business), and the trading enterprises (state shops).

Article 20: After these regulations have been implemented for 2 years, all ministries must review their effectiveness and make recommendations for forwarding to the Council of Ministers so that the complete regulations can be implemented.

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CSO: 4206/45

BRIEFS

SRV GROUP LEAVES HOUA PHAN--Vientiane, December 12 (OANA-KPL)--Delegations of the Vietnamese provinces of Thanh Hoa and Son La to the 10th Lao National Day left Houa Phan for home on December 6. While there, the delegations held talks with officials of Houa Phan on their future cooperations. They signed bilateral agreements on cooperation during the 1986-90 period aimed at further enhancing their economic and cultural relations. [Text] [Vientiane KPL in English 0915 GMT 12 Dec 85 BK] /7358

SRV DELEGATION LEAVES--Vientiane, December 9 (KPL)--A delegation of the Vietnamese province of Vinh Phu, a sister province of the Lao Luang Namtha Province, left Luang Namtha on Dec. 3 after attending the celebration of the 10th anniversary of the Lao PDR. During its stay in Luang Namtha, the Vietnamese delegation met with officials of the provincial administrative committee. The two sides reviewed the achievements of their cooperation in the past, and signed an agreement on economic and cultural cooperation between the two provinces for the next 5 years (1986-90). The agreement was signed by Khuan Keomani, secretary of the party committee and chairman of the administrative committee of Luang Namtha, and Le Huu Ngo, secretary of the party committee and chairman of the people's committee of Vinh Phu Province. [Text] [Vientiane KPL in English 0928 GMT 9 Dec 85 BK] /7358

SRV PROVINCIAL DELEGATION ARRIVES--Vientiane, December 5 (KPL)--A delegation from the Vietnamese province of Ha Nam Ninh headed by Ding Gia Huan, member of the provincial party standing committee, chairman of the people's committee of the province, arrived in Oudomsai, the sister province of Ha Nam Ninh, on Nov. 27, to attend the celebration of the 10th founding anniversary of the Lao PDR. [Text] [Vientiane KPL in English 0922 GMT 5 Dec 85 BK] /7358

THAI KING'S BIRTHDAY RECEPTION--On the evening of 5 December, Chaiya Chindawong, ambassador extraordinary and plenipotentiary of the Kingdom of Thailand to Laos, and his wife organized a reception at their residence in Vientiane on the occasion of the 58th birth anniversary of King Phumiphon Adunyadet of the Kingdom of Thailand. Attending the reception were Soulivong Phasitthidet, deputy minister of foreign affairs, along with a number of Lao cadres. Members of diplomatic corps and representatives of various international organizations in Laos also attended. [Text] [Vientiane Domestic Service in Lao 1400 GMT 6 Dec 85 BK] /7358

COMMEMORATIVE COINS--Vientiane, December 4 (OANA-KPL)--On the occasion of the 10th anniversary of the founding of the Lao People's Democratic Republic, the state bank and the bank for foreign trade of the Lao PDR put on sale as from today a limited quantity of commemorative silver and nickel coins. The persons interested may enquire about the sale over the counter of the Lao bank for foreign trade, n.1 Pangkham Street (near the Lanexang Hotel), or at the counter of the State Bank at the Vientiane trade fair (Nong Douang village). [Text] [Vientiane KPL in English 0907 GMT 4 Dec 85 BK] /7358

LECTURERS DELEGATION RETURNS--Vientiane, December 8 (KPL)--A Lao delegation of lecturers led by Sileua Bounkham, deputy-director of the higher party school returned here on December 5. The delegation gave a series of lectures on the Lao situation to Phnom Penh public on the occasion of the 10th founding anniversary of the LPDR. The delegation was met at the airport by Son Khamvonyongsa, deputy-head of the propaganda and training board of the party Central Committee, together with other officials. During its stay in the PRK, the delegation gave lectures on the results of the socialist transformation and construction in Laos in the past ten years in various sectors of the society. It also attended a rally marking the Lao national day in Phnom Penh. [Text] [Vientiane KPL in English 0916 GMT 8 Dec 85 BK] /7358

EXHIBITION IN LUANG PRABANG--Vientiane, December 9 (OANA-KPL)--A photo and artifact exhibition was opened in Luang Prabang Province on December 2nd to mark the celebration of the 10th Lao national day. The opening ceremony was attended by Vongphet Saikfu-Yachongtua, member of the party CC, secretary of the provincial party committee, Bounsavat Chaneng, standing member of the provincial city committee, head of the provincial control commission, together with other party and administrative officials and representatives of mass organisations. Nguyen Dinh Son, secretary of the party committee of Ha Son Binh Province (Vietnam) and head of a delegation of the party and people's committee [of] the province to the celebration of the 10th Lao national day, was present. [Excerpt] [Vientiane KPL in English 0925 GMT 9 Dec 85 BK] /7358

BULGARIAN FRONT MEETING--Vientiane, December 4 (KPL)--Delegations of the Lao Front for National Construction CC and the Bulgarian Fatherland Front CC met here yesterday. The Lao delegation was headed by Bolang Boualapha, member of the party CC, vice-president of the Lao Front for National Construction, and the Bulgarian delegation by Sava Dulbokov, member of the party CC, vice president of the Bulgarian Fatherland Front. The two sides informed each other of the activities of their respective organizations and cooperation between them, and the two peoples. They also reviewed the implementation of the agreement based on the friendship and cooperation treaty signed in Oct. 1979 between General Secretary Kaysone Phomvihan of the LPRP CC and General Secretary Todor Zhivkov of the BCP [Bulgarian Communist Party] CC. [Text] [Vientiane KPL in English 0905 GMT 4 Dec 85 BK] /7358

BULGARIAN SOIREE--Vientiane, December 6 (OANA-KPL)--The Lao Front for National Construction CC organized here on Dec. 4 a get-together in honour of the first vice-president of the Bulgarian Fatherland Front, Sava Dalbokov, on a current visit here. Speaking to the gathering, S. Dalbokov, who is also a member of the Party CC, highly evaluated the achievements obtained by the Lao people in their national safeguarding and building during the past 10 years. "The Bulgarian people have closely followed the revolutionary struggle waged by the Lao people under the leadership of the Lao People's Revolutionary Party headed by General Secretary Kaysone Phomvihan, and are satisfied with the successes of the Lao people," said S. Dalbokov. S. Dalbokov also spoke of the socialist construction in Bulgaria and the unceasing development of the cooperation and mutual assistance between the two fronts. [Text] [Vientiane KPL in English 0915 GMT 6 Dec 85 BK] /7358

DELEGATION BACK FROM SRV--Vientiane, December 10 (KPL)--A delegation of the Laos-Vietnam Friendship Association led by its vice-president Ounheaun Phounsavat returned here yesterday after attending the celebration of the 10th national day of the Lao PDR in Vietnam. While there, the delegation attended a grand-rally marking the 10th Lao national day organized at Ba Dinh square. It also participated in various activities sponsored by the Vietnam-Laos Friendship Association in a "[words indistinct] Vietnamese-Lao solidarity," which started early last month. These activities included meetings, film-screenings, art performances, and sports competitions aimed at strengthening the special solidarity between the two countries. The celebration there was deeply impressive. All participants expressed their satisfaction over the achievements of the Lao people in the past ten years, and pledged to do their utmost to further enhance the existing special alliance between Laos and Vietnam, said the head of the delegation upon his return to Wattai airport. [Text] [Vientiane KPL in English 0938 GMT 10 Dec 85 BK] /7358

WOMEN LECTURERS TO SRV--Vientiane, December 10 (OANA-KPL)--A delegation of the Lao Women's Union [LWU] headed by Phetsamon Lasasimma, member of the party CC, vice president of the LWU, returned here from Prague, on December 7, after attending a conference of the Women's International Democratic Federation [WIDF] and a meeting marking the 40th anniversary of the WIDF. The delegates to the conference discussed the women's contributions to the struggle for peace and disarmament, for national independence and development as well as women's role in the family and in social life, and women in the cities. They also exchanged views on the cooperation of the WIDF members and expressed support to the struggle of nations for national independence and against racial discrimination. The delegation was met on its return at the airport here by Bounleua Lovansai and Khamman, members, of the secretariat of the Lao Women's Union, together with other officials. [Text] [Vientiane KPL in English 0947 GMT 10 Dec 85 BK] /7358

DELEGATION TO ITALY--Vientiane, December 7 (KPL)--Souban Salitthilat, deputy-minister for foreign affairs and his delegation, left here for Italy on November 30 to attend a conference on "South-east Asia from the 1980's to 90's" to be conveyed in Rome from December 2 to 6. [Text] [Vientiane KPL in English 0920 GMT 6 Dec 85 BK]

AGREEMENT WITH SRV PROVINCE--Vientiane, December 10 (KPL)--An agreement on economic and cultural cooperation between the two sister provinces of Savannakhet (Laos) and Binh Tri Thien (Vietnam) was signed in Savannakhet on December 3rd. Signers to the agreement were Boun-gnang Volachit, member of the LPRP CC, secretary of the party committee and mayor of Savannakhet, and Nguyen Van Luong, deputy-secretary of the party committee, chairman of the people's committee of Binh Tri Thien Province. Le Tho, Vietnamese consul-general to Savannakhet, was also present on the occasion. [Text] [Vientiane KPL in English 0941 GMT 10 Dec 85 BK] /7358

ORTEGA GREETS SOUPHANOUVONG--Vientiane, December 14 (KPL)--President Souphanouvong on December 2nd received a telegramme of congratulations from Daniel Ortega, president of Nicaragua and coordinator of the National Council of the Sandinista Front. The telegramme says: "On behalf of the people and government of Nicaragua, and on my own behalf, I would like to convey to you our cordial congratulations on the occasion of the 10th Lao National Day. "The celebration of the founding anniversary of the Lao PDR is a joyful event to the Nicaraguan people who stand for the common principles of freedom and self-determination, particularly when peace in our region is being menaced by the violation of these principles. "We would like to express our thanks to the people and Government of Laos for their solidarity and wholeheartedly wish them happiness and progress." [Text] [Vientiane KPL in English 0907 GMT 14 Dec 85 BK] /7358

ORTEGA GREETS KAYSONE--Vientiane, December 14 (KPL)--On the occasion of the 10th Lao National Day, Kaysone Phomvihan, chairman of the Council of Ministers, received a telegramme of greetins from Daniel Ortega, president of Nicaragua and coordinator of the National Council of the Sandinista Front. The telegramme reads: "On the occasion of the 10th founding anniversary of the Lao PDR, on behalf of the National Front Council of the Sandinista national liberation, the people and government of Nicaragua, and in my own name, I would like to send you my warm fraternal congratulations and thanks for your assistance to and solidarity with the Nicaraguan people in their struggle against aggression. This courageous struggle for freedom and independence is also a symbol of the celebration of this anniversary. Also on this occasion, Phoun Sipaseut, vice-chairman of the Council of Ministers, minister for foreign affairs of the Lao PDR, has received a telegramme of congratulations from the Nicaraguan foreign minister M. Descoto. [Text] [Vientiane KPL in English 0910 GMT 14 Dec 85 BK] /7358

INDIA GREETS LEADERS--Vientiane, December 13 (KPL)--Kaysone Phomvihan, chairman of the Council of Ministers of the Lao PDR, has received a message of greetings from Rajiv Gandhi, prime minister of India, on the occasion of the 10th Lao national day. The message writes: "On behalf of the government and people of India and my own behalf, I have great pleasure in conveying to your excellency, our hearty congratulations and good wishes on the happy occasion of the tenth anniversary celebrations of your republic. "I am confident that the close and friendly relations existing between our two countries will be further strengthened in the years to come. "My best wishes for your personal well-being and for the prosperity of the friendly people of Laos".

On the same occasion, Phoun Sipaseut, vice-chairman of the Council of Ministers, minister for foreign affairs, has also received greetings from Indian minister of external affairs, Bali Ram Bhagat. [Text] [Vientiane KPL in English 0912 GMT 13 Dec 85 BK] /7358

DPRK GREETS LEADERS--Vientiane, December 13 (KPL)--Kaysone Phomvihan, general secretary of the LPRP CC, chairman of the Council of Ministers, and Souphanouvong, president of the Lao PDR and the PSA, recently received a telegramme of greetings from Kim Il-song, general secretary of the Workers' Party of Korea CC, president of the DPRK. The telegramme reads: "On the occasion of the 10th founding anniversary of the Lao PDR, the national holiday of the Lao people, on behalf of the WPK CC, the government of the DPRK, the Korean people and in my own name, I would like to convey to you, and through you, to the LPRP CC, the government of the Lao PDR, and the fraternal Lao people, our warmest congratulations. "The founding of the Lao PDR is the outcome of a glorious, difficult and long struggle of the Lao people, and has since then brought them a new life. "In the past ten years, under the leadership of the LPRP with Kaysone Phomvihan as leader, the Lao people have scored great successes in liquidating the consequences of colonialism, healing the wounds of war, carrying out socialist transformation, and building the technical and material bases of socialism. "The people of Korea are glad to see the successes obtained by the Lao people in their revolutionary struggle and socialist construction. We would like to express our solidarity with the Lao people in their struggle for building a peaceful, independent, united and socialist Laos. "On this occasion, we believe that the close relations of friendship and cooperation between our two parties, states and peoples in the common struggle for independence and against imperialism will be further strengthened and developed. We wish you and the Lao people new successes in implementing the resolutions of the third congress of the LPRP. [Text] [Vientiane KPL in English 0904 GMT 13 Dec 85 BK] /7358

SISOPHON VISITS BOLIKHAMSAI--Vientiane, December 16 (OANA-KPL)--Sisomphong Lovansai, Politburo member of the LPRP CC, vice-chairman of the PSA, on December 12, visited Bolikhamsai Province where he addressed a four-day congress of Bolikhamsai District's party committee, which was opened on December 9. On behalf of the party Central Committee, the vice-chairman expressed his warm congratulations to all delegates to the congress. He highly appraised the multiple achievements obtained by the people of Bolikhamsai Province in the past ten years of national defence and socialist construction. Sisomphon Lovansai also spoke of the tasks to be carried out in the second five-year plan of economic development (1986-90). He urged all cadres and party members to heighten their sense of responsibility and actively contribute to the national economic development. [Text] [Vientiane KPL in English 0907 GMT 16 Dec 85 BK] /7358

SOUPHANOUVONG MEETS LFNC--Vientiane, December 17 (KPL)--Souphanouvong, president of the Lao PDR, the LFNC and the PSA, on December 14, addressed a conference to review the work of the Lao Front for National Construction [LFNC] in Vientiane. He expressed his wholehearted congratulations on the successes obtained by the front's cadres and organizations in the past 10 years, describing these as an important contribution to the cause of national defence and socialist construction in Laos. He also spoke of the world situation, especially the situation in the region which, though tense and complicated, is turning in favour of the revolutionary movement. He called on all the front's cadres to do their best to fulfill their duty in the future. Also present at the meeting were Boualang Boualapha, vice-president of the LFNC CC, and members of the front CC and the Vientiane chapter of the front. [Text] [Vientiane KPL in English 0901 GMT 17 Dec 85 BK] /7358

CSO: 4200/415

MALAYSIA LIFTS BAN ON POLITICAL GATHERINGS

HK171105 Hong Kong AFP in English 1044 GMT 17 Dec 85

[Text] Kuala Lumpur, 17 Dec (AFP)--The Malaysian Government today lifted a ban on political gatherings in six states, imposed after clashes between Moslem fundamentalists and police left 18 people dead last month.

Deputy Prime Minister Musa Hitam said the government decided to lift the ban because it felt that the security situation in the six states had improved since the 19 November incident in Prime Minister Mahathir Mohamad's home state of Kedah.

Followers of a Moslem religious teacher had attacked police with bamboo spears, poison arrows, lire bombs, molotov cocktails, axes, choppers and shotguns.

Besides Kedah, the ban had covered the predominantly Malay Moslem states of Kelantan, Perlis, Trengganu, Penang and Northern Perak, all in peninsular Malaysia.

These are areas where the fundamentalist Parti Islam Sa-Malaysia or PAS, which is committed to the establishment of an Islamic state, is actively campaigning for mass support.

Mr. Musa said that those intending to hold political gatherings should exercise caution and ensure that their speeches did not inflame sentiment.

He said an 11-hour curfew would remain in force in Kedah's Baling District, 432 kilometers (270 miles) north of here where the clashes occurred when police moved in to arrest Ibrahim Mahmood, a self-styled religious teacher, who once studied in Libya.

The government has described Mr. Ibrahim, who contested the 1978 general election on a PAS ticket, as a criminal wanted by police for possession of offensive weapons, intimidation and other offences.

Dr. Mahathir said over the weekend that the villagers who attacked the police had been led astray by Mr. Ibrahim who he claimed had told his followers that the police and government were "infidel."

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CSO: 4200/402

MUSA HITAM ON LIFTING OF BAN ON POLITICAL GATHERINGS

BK171329 Kuala Lumpur Domestic Service in English 1130 GMT 17 Dec 85

[Text] The government today lifted the ban on ceramahs [religious lectures] in the six states in the east coast and northern peninsular Malaysia. The Deputy Prime Minister, Datuk Musa Hitam [words indistinct] announcement, said the lifting of the ban was made under an assessment of the situation in the states concerned which had improved slightly. The ban was imposed in Kelantan, Terengganu, Kedah, Perlis, and Perak on the 20th of last month and in Palau Pinang, two days later after the recent Baling incident in which 18 people, including 2 policemen were killed. Datuk Musa reminded those intending to hold ceramahs, especially political parties, to act responsibly and to be careful of the implications of their speeches. This is important in view of many rumors spread by certain quarters following the incident.

On the curfew in Baling, Datuk Musa said he left it to the local authorities whether to lift it. The curfew is now imposed from 6 p.m. to 5 a.m. Datuk Musa also said the government is investigating the spreading of rumors by certain quarters. He said the finding of the investigation would be made known through the specific government channels [words indistinct].

Datuk Musa, who visited police field force personnel deployed in the Baling incident at the Police Forest Force camp in Sungai Petani, Kedah, conveyed appreciation to them for carrying out their tasks to calm the situation.

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CSO: 4200/402

MALAYSIA

KUALA LUMPUR REPORTS TIN PRODUCERS PROPOSAL FOR TALKS

BK190927 Kuala Lumpur International Service in English 0800 GMT 19 Dec 85

[Text] Tin-producing countries have proposed that the International Tin Council--ITC--open talks with bankers and brokers who have offered refinancing to end the world's tin crisis. The ITC deputy chairman Datuk (Peter Nair) said the conditional proposal emerged from a resumed emergency session of the ITC in London. Datuk (Nair) said he is trying to set up a small group of producers and consumers who might tailor a refinancing package that could find consensus support from the ITC. The producers propose talks with the banks on condition that such a proposal is not construed as an admission of their [word indistinct] liability by their governments.

Correspondents say the ITC meeting resume amidst bleak hopes of a settlement. Banking sources said optimism about a possible deal had been upset by the failure of European Community ministers meeting in Brussels yesterday to agree on a joint stand for today's talks aimed at ending the 8-week deadlock between the ITC and its creditors.

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CSO: 4200/424

BRIEFS

FINANCE LOAN SCANDAL REPORT--Datuk Sri D. Mahathir Mohamed says the government has the prerogative to decide whether to make public the final report of the committee of inquiry on the 2,500-million ringgit Bumiputera Malaysia Finance [BMF] loan issue. The prime minister explained that the government being the major shareholder of Bank Bumiputera Malaysia Berhad--the parent company of BMF--has directed it to look into the matter. As such, the government will have a say also to make a decision whether the report should be made public. Speaking to newsmen in Kuala Lumpur, Datuk Sri Dr. Mahathir emphasized that the government just did not [words indistinct] responsibility. On his audience with his majesty the Yang Di-pertuan Agong [paramount ruler] on Saturday, the prime minister said he was reporting about the Kampung Memali incident. He dismissed speculations that he was seeking the assent of the Yang Di-pertuan Agong to dissolve Parliament. He briefed and showed his majesty a video-tape recording of the incident. [Text] [Kuala Lumpur Domestic Service in English 1130 GMT 16 Dec 85 BK] /9738

CANCELLATION OF PEACE MEETING--The peace committee set up by the Organization of Islamic Conference to help bring about an end to the Iran-Iraq conflict will not meet next week in Jeddah, Saudi Arabia, as scheduled. Datuk Sri Dr. Mahathir Mohamed, a member of the committee, told reporters in Kuala Lumpur that the meeting has to be postponed due to the many conditions forwarded by the conflicting parties. The prime minister was supposed to have left for Jeddah today. [Text] [Kuala Lumpur Domestic Service in English 1130 GMT 14 Dec 85 BK] /9738

FORMER UN AMBASSADOR DIES--Kuala Lumpur, 15 Dec (AFP)--Former Governor of Penang and cabinet minister Sardon Jubir died at the general hospital here last night after a long illness. He was 69. He leaves a wife, three sons and an adopted daughter. BERNAMA NEWS AGENCY said Mr. Sardon was admitted to the hospital for a heart ailment one and a half months ago. Mr. Sardon, who was the state governor from 1975 to early 1982, will be buried tomorrow. He had been involved in Malaysian politics since 1945 and was one of the founder members of the Malay Nationalist Party in Ipoh, Perak State. After the first general election in 1955, he was appointed minister of works in the cabinet of Prime Minister Tanku Abdul Rahman. He was appointed minister of transport in 1959 and held that post for 10 years. Following his retirement from the cabinet he was appointed Malaysian ambassador to the United Nations, after which he returned to take up the appointment as the governor. [Text] [Hong Kong AFP in English 0309 GMT 15 Dec 85 HK] /9738

CSO: 4200/402

WELLINGTON PUBLISHES DISCUSSION PAPER ON DEFENSE OPTIONS

HK200912 Hong Kong AFP in English 0853 GMT 20 Dec 85

[Text] Wellington, 20 Dec (AFP)--The New Zealand Government today launched a major review of the country's defense and security policies with the publication of a public discussion paper on the available options.

But the Labor Government made it clear that a "key element" of its policy would continue to be its requirement that New Zealand be free of nuclear weapons and not participate in any nuclear strategy for its defense.

Prime Minister David Lange said that the 20-page discussion paper did not represent government policy. But he said that it would stimulate public debate on the range of options and alternatives open to New Zealand.

The armed forces have already carried out a full review of defense requirements, but its implementation has been delayed while the government canvasses public opinion about what type of defence policies are appropriate.

A four-member defense review committee is to assemble public submissions, hold public hearings and carry out public opinion polls and report by June.

The discussion paper said that a key element of the revised defense policy would be greater self-reliance to provide stability in the South Pacific.

Among the key issues that the paper identifies are the level of forces needed to uphold the national interest, the part New Zealand should play in international peace-keeping and collective security and how much should be spent on defense.

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CSO: 4200/425

NEW ZEALAND

LANGE DENIES SHORT-TERM TROOP WITHDRAWAL FROM SINGAPORE

HK210442 Hong Kong AFP in English 0352 GMT 21 Dec 85

[Text] Wellington, Dec 21 (AFP)--There is to be "no rapid unilateral withdrawal from Singapore" of New Zealand troops stationed there, New Zealand Prime Minister David Lange said today.

Mr Lange told journalists: "In the short term there cannot be a withdrawal from there in a way which is a bad signal and which is not welcomed or understood by the Singapore Government or other governments in the region."

A government defense discussion paper has suggested that withdrawal should be considered. The public discussion paper, aimed at sparking debate on defense issues, asked whether "the expensive deployment" of the battalion was justified. There is a "regional significance" to New Zealand troops being stationed on the island "which is understood by nations in the region," Mr Lange said. "It is an identification not just of New Zealand, but of other Western countries to the security of Singapore and the surrounding countries."

He admitted that some New Zealanders supported withdrawing the troops and that his own Labour Party annual conference last year had called for withdrawal. Mr Lange said that another "point of favour" for retaining the battalion in Singapore was that there was no barracks for them in New Zealand.

Australia, Britain, Malaysia, New Zealand and Singapore are allied under the five-power defense arrangement.

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CSO: 4200/443

GOVERNMENT NUCLEAR STAND 'WELCOMED' BY CUBA

HK170251 Wellington THE EVENING POST in English 7 Dec 85 p 1

[Article by Richard Neville]

[Text] The Labour Government's nuclear policies have been well-received in Cuba, which is interested in an expanded relationship with New Zealand.

The Castro government has followed Labour policy moves and not surprisingly, supports the New Zealand position on the Anzus dispute with the United States.

A number of Cuban Government officials I met knew the name of the Prime Minister and film of Mr Lange speaking at the Commonwealth heads of Government meeting in Nassau was shown on Cuban TV. Being obsessed with the U.S., which they commonly describe as "the enemy," they derive satisfaction from a small American ally tweaking Uncle Sam's nose.

Cuba would like to extend contact with New Zealand and Australia, and in September this year a delegation led by a Cuban deputy foreign minister visited both countries.

In Australia, the delegation suggested an upgrading of the present Consulate-General office in Sydney to full embassy status in Canberra. But this submission has subsequently been declined by the Hawke Government.

The delegation was the first official mission to New Zealand by Cuba, yet it was kept low-key and unpublicised by the Ministry of Foreign Affairs, in Wellington. The Cubans arrived in Wellington the same week the Deputy Prime Minister, Mr Palmer, was in Washington discussing Anzus difficulties with the U.S. Secretary of State, George Shultz. It is understood the Government was anxious not to give the Americans more reason to take offence.

The Cuban delegation comprised a deputy foreign minister, Giraldo Mazola; head of the Cuban Foreign Ministry's Asia/Oceania division in Havana Miss Zoila Rosales; the Australian Consul-General, Mr Luis Gomez; and an interpreter.

Mr Mazola is one of five deputy foreign ministers, with special responsibility for Africa, the Middle East, Asia and Oceania.

In interviews with Mr Mazola and Miss Rosales, the Cubans welcomed the New Zealand nuclear stand. The intention to create a South Pacific nuclear-free zone was "positive," said Mr Mazola, and a step towards reducing the nuclear build-up and global tensions.

Commenting on New Zealand's tougher stand on South Africa, he said: "The front-line states regard your policy as positive and so do we."

Miss Rosales said the U.S. tried to force small countries into submission. President Reagan was aggressive and Cuba was on a constant state of alert in case the Americans attacked.

Asked why their visit to New Zealand in September had been kept quiet, Mr Mazola said the host government had preferred no publicity. While the visit was not secret the Cubans had agreed not to speak publicly.

When I asked him if this was because New Zealand was having problems with the U.S. he nodded.

While in Wellington the Cubans attended meetings and lunches with the Secretary of Foreign Affairs, Mr Merwyn Norrish, the Assistant Secretary of Foreign Affairs, Mr David McDowell, the deputy secretary of Trade and Industry, Mr Ted Woodfield, and the Prime Minister's special adviser on Africa, Mr Chris Laidlaw. There were no meetings with Cabinet Ministers.

Mr Mazola said the visit was on the Cubans' initiative. They would like to upgrade representation in Australia and felt it worth-while to travel on to New Zealand. Cuba would like diplomatic relations with New Zealand, by having an ambassador in Australia accredited to Wellington.

Asked how he viewed the Australian decision, Mr Mazola said both countries had agreed to consider the matter further.

"I think it will be possible at a future occasion."

He said Cuba had diplomatic relations with more than 120 countries and embassies in 87, including countries with different social systems.

The deputy minister said Cuba would like to extend trade with the region. Cuban products of interest to New Zealand included rum, cigars, and textiles, and New Zealand's agricultural equipment and expertise could have possibilities in Cuba.

At present, bilateral trade is limited. New Zealand exports, mainly dairy products, totalled $19.7 million in the June 1985 year. Imports from Cuba, mainly sugar, totalled $17 million in the 1983-84 year, the most recent for which import figures are available.

Other than trade, the main point of contact between the two countries through the New Zealand-Cuba friendship society, and through visits by trade unionists and young people on "working brigades."

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CSO: 4200/413

DEPUTY PRIME MINISTER INTERVIEWED ON NUCLEAR ROW

HK180209 Wellington THE EVENING POST in English 10 Dec 85 p 4

[Article by Chief Political Reporter Tony Garnier: "Security Alarm Prompts Change"]

[Text] In Australia last week, deputy Prime Minister Geoffrey Palmer gave the most detailed outline yet of the changes that have been made to the proposed anti-nuclear legislation since he visited Washington with an earlier draft in September.

He confirmed that a single major change had been made to meet United States uneasiness about information in reports on warship armaments falling into the wrong hands.

The earlier draft detailed consultations and reports the Prime Minister would have in deciding whether a warship under consideration for a port visit was or was not nuclear-armed.

Mr Palmer said the provisions for consultations and reports had been deleted to meet Washington's objections.

Mr Palmer's disclosure of Washington's opposition to the consultative provisions confirmed what has long been suspected as a major sticking point in the Anzus-nuclear impasse. The U.S. administration, as well as top state and Pentagon officials, are fearful that New Zealand officials, MPs and others might wittingly or unwittingly disclose highly classified and sensitive data to the "enemy."

The very idea that reports on U.S. warship armaments might be scrutinised by parliamentary committees and be subject to release under the official information act has obviously been as unnerving to Washington as has its opposition in principle to an Anzus ally legislating ground rules for visits by allied warships and aircraft.

So I asked the chairman of Parliament's foreign affairs and Defence Select Committee, Ms Helen Clark, for her response to suggestions that U.S. officials believed sensitive armament's data might not be secure here.

Ms Clark is among the more influential left-wing members of the Labour Caucus and a strong advocate of the new foreign policy. The interview, before Ms Clark's Australian call, followed a visit by her to the U.S. and was aimed at seeking her assessment of what impact New Zealand's anti-nuke stand is having in America.

In the row with the United States on nuclear ships, New Zealand has deliberately moved to qualify its alignment, says the chairman of Parliament's foreign affairs and defence select committee, Ms Helen Clark.

"In a speech in New York (recently), I used the phrase "semi-ally.'

"Well, that is what we now are, a semi-ally of the United States," she said.

Despite the New Zealand initiative, however, she believed that the United States would not pull out of the Anzus alliance.

Domestically, it would not be accepted in the United States. Such an action would be regarded as a crude way to break an alliance with a long-time friend like New Zealand, she said.

Ms Clark believes the September visit to Washington by Deputy Prime Minister Geoff Palmer "cleared the air." Americans now knew exactly what New Zealand was talking about in making its antinuclear stand, she believed.

It was her impression that the American Embassy in Wellington had "fed the line" back to Washington that what New Zealand was doing was a result of pressure on the Cabinet by the Labour Party's left wing.

However, she said that following Mr Palmer's visit "I don't think there would be any doubt in Washington's mind now that that represents a total misreading of the situation."

The Americans now knew that if there was no issue above all else that the Labour Party was united on, it was the antinuclear policy.

"They would also be less than intelligent if they failed to observe that whether foreign policy is in the headlines, the Labour Government does well. In other words, it is a popular issue at home (in NZ).

"You cannot convincingly paint it (the anti-nuclear stand) in any way as a left wing initiative which doesn't have popular support, and I think they realise that," said Ms Clark.

Question: How, then do you respond to claims that the left wing managed a trade-off a strong anti-nuclear stand against concessions not to reject the free-market economic strategy?

Ms Clark: "I don't think there has ever been a conscious trade-off, but it is no secret that in the Labour movement there is a lot of discontent with the economic policy.

"But there is also a view that the foreign policy is of such overwhelming importance, that even if there was only that initiative going for the Government, New Zealanders would want Labour to be reelected.

"However, there is also a lot else going as well, but it (the foreign policy) has assumed quite a momentum as something people want to retain."

Ms Clark agreed with the interpretation that when Mr Palmer went to the United States, there was some hope of resolving the issue on the basis of the long-term "trust" the two countries have had for each other.

However, the breakthrough hadn't happened, since when Mr Lange had delivered his Christchurch speech raising the possibility of New Zealand outside Anzus.

Question: During your U.S. visit, did you gain any feedback on how they reacted to Mr Lange's Anzus statements?

Ms Clark: "The feeling I picked up is that they will not pull out of Anzus. They won't pull out for the reason that they still think it is possible there will be a change of government, and that nuclear ship visits could be started again.

"However, if they are reading the polls at the moment, then I think they will come to the conclusion that they might have to work with Labour for quite a time to come.

"I don't think there will be any precipitate action or withdrawal. They are just going to wait and see how things work out."

Question: Because you are a left-wing member of the Government and senior through chairing the foreign affairs select committee, how do you respond to suggestions that the U.S. may not have been able to accept the "trust" concept because its officials believe sensitive information might not be secure here?

Ms Clark: "I don't think I have ever assumed that importance to them. While I haven't heard specific stories, I think it would be highly unlikely that they would be comfortable with my position because I would be one of the main articulators of the policy.

"But I haven't heard any specific allegation that I am the thorn in the whole thing. I think that would be elevating myself to a too far a prominent position anyway."

Ms Clark said she saw no evidence that anything New Zealand had done had directly affected the nuclear policies of any other country, "but it had had its effects."

"It has been a bright light in an otherwise bleak time for anti-nuclear activists in Western Europe and the United States; particularly as Belgium has backed down on the deployment of missiles and the Dutch have just done so.

"I wouldn't expect any country to say they were going to have a port access ban because New Zealand had done it, but it raises in the minds of other small countries ideas of how they might act."

She said that in New York she had learned from Scandinavian MPs that those countries were exploring ways to extend their own anti-nuclear stance to include "wartime" situations, a move which would have great significance for NATO.

That is, other countries were looking at the anti-nuclear issue from a different direction, but in a way which could have just as big an impact as what New Zealand had done.

Question: Why has New Zealand come out so strongly as anti-nuclear when other countries haven't?

Ms Clark: "In many Western countries when there is a change of government there isn't a change of foreign policy. But in New Zealand I think the consensus on foreign policy broke down over the Vietnam war and has never come together again.

"So when the Government changed, so did foreign policy, but it was unexpected outside New Zealand and made a bigger impact because the new Government actually implemented what it promised to do..."

Question: Why did this Government hold to its policy, when elsewhere--Australia, for example--they haven't?

Ms Clark: "The easy answer is that over nearly 20 years, the Labour Party has helped lead public opinion on this issue, and you can't say that about the Australian Labour Party.

"New Zealand has been out front on this issue since the time (the late Norman) Kirk picked up on French nuclear testing... it has become popular within the Labour Party."

Ms Clark said it was absolutely the case that the continuing French testing in the Pacific had helped build public opinion in New Zealand against the pro-nuclear viewpoint.

"Their continued testing has helped make nuclear issues [words indistinct] for all New Zealanders, because in all logic you can't sit here and protest about French nuclear testing and at the same time turn a blind eye to American and Soviet nuclear weapons being deployed in the region.

"The French action has triggered a public reaction which has had far-reaching ramifications."

Question: Why has Mr Lange stuck with the policy, when Australian PM Mr Hawke has appeared not to? Is it simply the case that the party's Left wingers here have more influence?

And could you comment on the view of Mr Lange that he is a conservative in the Labour hierarchy and keen to preserve the American friendship even if it meant sacrificing the anti-nuclear stand?

Ms Clark: "It is not just pragmatic politics. For one, maintaining the policy has become a matter of integrity of the Government, it has stuck with what it said it was going to do.

"Second, I think David Lange has had a very long-term commitment on the nuclear weapons issue. It goes back a long way.

"Geoff Palmer is someone who has put a great deal of store in his public reputation for being straight and sticking by Labour policies and interpreting them to the letter.

"If there had been a will (among the Cabinet) to back off, they would have found a way, but they have not shown that intent."

Question: Some people have tried to argue that they regard Messrs Lange and Palmer as pragmatists whereas they regard yourself as an ideologue. How do you interpret that sort of talk in the context of why New Zealand is sticking to its policy?

Ms Clark: "If you took this interpretation seriously, you would have to say there are an awful lot of ideologues out there.

"I think it is a matter of principle, personally, (Messrs) Lange and Palmer are not the pragmatists they have been cast as. A pragmatist might have backed off a long time ago, and even said that it was easier not to have the policy, and certainly would not have continued to promote the anti-nuclear legislation.

"With legislation seeming to be the straw that is breaking the camel's back with the Americans, a 'pragmatic' leadership would never have permitted the policy to be legislated.

"In a way, by legislating, the purity of the New Zealand position is maintained; it is a legislative action of the whole country and not just an executive decision of an elected Government.

Question: Why, then, is the United States (seemingly) going into a wobble over the prospect of anti-nuclear legislation?

Ms Clark: "It is supreme irony that the greatest democracy on earth wants to deny New Zealand the right to legislate our policy. They really ought to reflect on that.

"Second, they see the issue going into legislation as setting it more in concrete and removing for all time, if not at least might force modifications of the policy. Legislation represents a final step in implementing the policy, and they would much prefer that the final step not be taken."

Ms Clark said that her overall reading of the state of play was that "for all the hot air, there is not going to be a total breach (with the U.S.)."

"But as I have already said, there is no doubt that we have quite consciously moved to qualify our alignment."

As she said in a New York speech, New Zealand had become a "semi-ally" of the United States.

It was suggested to her in the U.S. that the U.S. Administration would not want to take the steps which forced New Zealand to become non-aligned because, domestically, it would not be in its interests; it would be seen as a crude move against a long-time friend.

She described as a nonsense claims that by becoming neutral or a semi-ally, New Zealand was really moving closer to the Communist camp.

"What I have said when talking to people in the U.S. is that there is just no way anyone could convincingly paint the actions of the New Zealand Government as a change of alignment from West to East.

"I have stressed that the Soviet Union has no influence in this part of the world, and is not going to have any. It is not the issue."

What the real issue was, she said, was how a small Western country can say "enough is enough" and how it responds, and is allowed to respond, when it draws the conclusion that the nuclear weapons of its allies are as dangerous as those of its enemies. "That is the issue."

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CSO: 4200/413

LANGE ELABORATES ON ANTINUCLEAR LAW

HK170249 Wellington THE EVENING POST in English 11 Dec 85 p 5

[Article by Political reporter Debra Sturm]

[Text] The government's anti-nuclear legislation embodied a "trust the law" rather than a "trust me" policy when it came to ship visits, the Prime Minister, Mr Lange, said yesterday.

While the principal responsibility for the decision would rest with him, he would have the benefit of advice from the Public Advisory Committee on Arms Control and Disarmament, he said.

Mr Lange released a question-and-answer sheet on the New Zealand Nuclear Free Zone Disarmament and Arms Control Bill, soon after introducing the Bill to Parliament.

He answered in it on the objectives of the legislation, and its effects.

On how the Government would decide whether or not a ship was nuclear armed, Mr Lange said he could not comment on intelligence matters.

However....

"However, it is common knowledge that there are procedures which can be followed that do not involve equipment which will enable an intelligent assessment to be made of whether or not a ship is nuclear armed," he said.

Q: Will the legislation mean the end of Anzus?

A: The terms of the Anzus Treaty state the only way to end membership of Anzus is to give a year's notice. The Government has no intention of giving notice of withdrawal, and will continue to meet its Anzus obligations through non-nuclear means.

Mr Lange's speech in Parliament interrupted several times by interjections from the Opposition benches, detailed the contents of the 24-clause bill.

Interjections were particularly loud during his explanation of clauses 9 to 11, which deal with the prohibition of foreign warships carrying nuclear weapons, nuclear-armed aircraft, and nuclear-powered ships.

A usually confident speaker, Mr Lange looked nervous before his speech, moving around the chamber and fidgeting with his papers. During his speech he stopped on several occasions to reply to Opposition interjections.

This led to further comments from those benches of "get on with your speech."

He detailed provisions in clause 9 which gave the Prime Minister the final say as to whether a warship could enter New Zealand's internal waters. This would be if he was satisfied the warship was not carrying a nuclear explosive device.

The Bill did not contain specific sanction for a breach of the provisions of that clause. "May I emphasise that I am open to argument on that point," he said.

Mr Lange said the Bill consolidated measures New Zealand governments had pursued over many years to enhance the process of disarmament and arms control.

"It fulfills New Zealand's obligations under the South Pacific Nuclear Free Zone Treaty, and so reflects the intention of the signatories to the treaty that the destabilising elements of nuclear confrontation not be allowed to intrude into this region.

"The Bill excludes nuclear weapons for New Zealand to the greatest extent of the Government's legal capacity to exclude them," said Mr Lange.

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CSO: 4200/413

NUCLEAR SHIP BAN 'APPLIES STRICTLY ONLY TO PORTS'

HK170243 Wellington THE EVENING POST in English 11 Dec 85 p 5

[Article by Political Reporter Tim Grafton]

[Text] There is nothing to prevent nuclear-powered vessels carrying nuclear weapons from sailing through Cook Strait under nuclear-free legislation introduced into Parliament yesterday.

Further, aircraft armed with nuclear weapons could fly over the country without committing an offence.

In fact, while the legislation makes the Prime Minister the final arbiter on the entry of nuclear weaponry into New Zealand, his decision only applies to vessels entering internal waters or aircraft landing.

This means a foreign warship, which could be nuclear-propelled or armed, could pass within the territorial waters, measured as 12 miles off the coast. Or a vessel could anchor off the seaward side of an offshore island, as this would be outside internal waters.

In other words, the ban on ship visits applies strictly only to ports.

While the Prime Minister has the final say on the entry of nuclear weaponry into internal waters, he will be advised by a special seven-member committee.

Headed by a Minister for Disarmament and Arms Control, who will be appointed soon, the committee will also publish reports on how the Act is being implemented.

Apart from the minister, the committee will comprise the Secretary of Foreign Affairs, the Secretary of Defence and four others appointed by the Minister of Foreign Affairs. At present, the Minister of Foreign Affairs is the Prime Minister, Mr Lange.

Their advice on the entry of ships will not apply to ships or aircraft in distress. Nor will it apply to any ship exercising its right of passage through New Zealand's territorial waters or straits in accordance with international law.

However, the Bill does prohibit biological weapons from the New Zealand nuclear-free zone, which includes both territorial and internal waters.

On the nuclear question though, the Bill provides for up to 10 years' jail for only New Zealand citizens or residents who within the zone:

--Manufacture, acquire, or possess, or have control over, any nuclear device.

--Aid, assist, or abet any person to manufacture, acquire, possess, or have control over any nuclear explosive.

Those provisions also apply to any servant or agent of the Crown beyond the New Zealand nuclear-free zone.

But if any prosecutions do result from offences against the legislation, they will arise only after consent has been given by the Attorney General. That position is held by the Deputy Prime Minister, Mr Palmer.

In making his decision on whether to allow foreign warships into internal waters or for aircraft to land, the Prime Minister may have regard to all relevant information including "advice concerning the strategic and security interests of New Zealand." Approval, though, may only be given if he is satisfied no nuclear weapons are being brought in.

One clause amends the marine pollution act, making it an offence carrying a fine of up to $100,000 to dump radioactive waste within New Zealand waters.

The Bill also implements in New Zealand the following treaties:

--The South Pacific Nuclear Free Zone Treaty of August 6, 1985.

--The Treaty Banning Nuclear Weapon Tests in the Atmosphere, Outer Space and Under Water of August 5, 1963.

--The Treaty on the Non-Proliferation of Nuclear Weapons of July 1, 1968.

--The Treaty on the Non-Profliferation of the Emplacement of Nuclear Weapons of Mass Destruction on the Seabed and the Seafloor and in the Subsoil Thereof of February 11, 1971.

--The convention on the Prohibition of the Development Production and Stockpiling of Biological and Toxin Weapons and on their Destruction of April 10, 1972.

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CSO: 4200/413

WELLINGTON PAPER'S CONCERN OVER ANTINUCLEAR BILL

HK180215 Wellington THE EVENING POST in English 14 Dec 85 p 6

[Editorial: "Beyond the Fine Print"]

[Text] Seeing the government's anti-nuclear policy spelt out in a bill does nothing to remove earlier concerns about the effect of that policy.

This country is not the only factor when the New Zealand Nuclear Free Zone, disarmament, and Arms Control Bill is debated and enacted.

Turning public fear and loathing of nuclear war into action and law has effects which are not controllable from Wellington.

For instance, one such effect is to shatter New Zealand's traditional reliance upon collective defence and to leave us without a viable alternative.

It changes our relationships with our strongest allies, Australia, the United States of America and the United Kingdom, in ways disadvantageous to this country.

It is seen as withdrawal from the Western alliance, even if our Government hotly denies any such withdrawal.

It denies our Government and advisers a comprehensive regular flow of intelligence information which extended far beyond matters of security and defence.

It denies our defence personnel important training and joint exercises with the United States of America.

The future of American bases in the Pacific and elsewhere is made less secure in that host governments will come under internal pressure to emulate New Zealand's ban on nuclear weapons and nuclear propulsion. Even the possibility of that will force American reassessment of its defence role and strategy.

The Prime Minister and the Government say certain things about the Bill while others take an opposite point of view. For instance, the Prime Minister says that the Bill enforces and enhances New Zealand's international obligations, including those under Anzus. America, as the major partner in Anzus, disagrees. The American government maintains that port calls by its Navy are necessary if America is to be able to fulfill its own obligatons.

America says New Zealand is not pulling its weight as a treaty partner if it persists in its present policy.

When New Zealand decided to reject the USS Buchanan it also decided, in effect, that the basic operational elements of the Anzus treaty would not apply to it, the American Secretary of State, Mr Shultz, has said.

"In a sense, New Zealand walked off the job--the job of working with each other to defend our common security," Mr Shultz said. Does that sound like enhancement of New Zealand's obligations? Of course not.

The bill is mysterious about what will help the Prime Minister to decide that a foreign warship is or is not carrying nuclear weapons. Foreign governments are hardly likely to give him the chance to embarrass them by refusing entry or by telling the world that a particular ship is not nuclear armed.

That there is a strong public feeling in New Zealand against nuclear weapons cannot be denied. But to claim that is a mandate for bringing about all the effects stemming from the Government's anti-nuclear policy is not believable.

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CSO: 4200/413

FINANCE MINISTER UNVEILS FARMING RESTRUCTURE PACKAGE

HK120721 Hong Kong AFP in English 0708 GMT 12 Dec 85

[Text] Wellington, Dec 12 (AFP)--An economic package to help New Zealand farming adjust to reduced incomes and lower farm prices, and to speed up the restructuring of tariff and import policies was unveiled in parliament today.

Finance Minister Roger Douglas said the package was aimed at "putting farming on a profitable basis over the medium term."

"It will also help people who wish to exit (from farm properties) to exit with a degree of dignity," Mr Douglas said in a statement.

The measures in the package include: Lifting restrictions on the sale of farmland to foreign buyers, lifting the rules controlling farmland aggregation, removing the capital gains tax on the sale of farm assets, restructuring tax writeoffs on farm stock and stock revaluation, cutting to zero tariffs on non-New Zealand goods and restructuring state trading corporations to make them more efficient.

Mr Douglas said the package was to allow the farm adjustment process to continue during a period when the government expected unemployment to rise and there would be "lower levels of output."

He said growth would come from lower inflation, lower interest rates and productivity improvements.

The next nine months would be difficult for farmers, he added, but present policies along with the newly announces structural changes would reduce price impacts on farming.

This package would "either help farmers restructure debts or leave their farms with some equity," he said.

In some cases "it would be better for farmers to sell rather than continue to struggle with hopelessly large debt burdens."

The package did not give any direct handouts to the farm sector, a traditional mainstay of the New Zealand economy, and the government was "seeking more competitive structures throughout that economy," the minister said.

The restructuring of state trading enterprises would allow them to compete and cut back the costs of their inefficiencies in the economy.

Mr Douglas warned that "the entire agricultural industry must become more efficient."

The government was also determined to remove all subsidies from the economy "which cause higher costs for farmers and other producers."

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CSO: 4200/413

ENERGY PROJECTS EXPECTED TO INCUR LARGE LOSSES

HK260042 Hong Kong AFP in English 0015 GMT 26 Dec 85

[Text] Wellington, Dec 26 (AFP)--New Zealand's so-called "think big" energy projects, initiated by the government of Sir Robert Muldoon five years ago, will lose more than 600 million U.S. dollars for the country over the next decade, according to a treasury report just published.

The controversial risk-venture program of energy investments was originally supported by the treasury in a series of analyses predicting earnings of 495 million. The projects were an attempt by the Muldoon government to provide growth, earn foreign exchange and gain greater energy self-sufficiency for the New Zealand economy.

But the treasury's latest report said that only one of the "think big" projects "will ever" provide the taxpayer with a return. Treasury Secretary Bernie Galvin has said original reports of the cost-benefits from the projects were "particularly optimistic." The report says of the major projects--all originally supported by Treasury, the Prime Minister's Department and the Department of Trade and Industry:

-- The country's first ammonia-urea fertilizer plant was to have "broken even" when approved, but now is expected to lose 20 million dollars over the decade.

-- The methanol project will remain the only profit-maker, but will make only 7 million rather than the 75 million initially projected.

-- The New Zealand steel expansion project was expected to lose 6 million, but now will chalk up a 240 million loss.

-- The Marsden Point refinery expansion, projected to earn 350 million, will now lose 160 million.

However, the report said, "given the amount already committed to the projects, it appears economic to continue with their construction." It said the risk from the projects was clear as soon as the private sector refused to undertake them without the guarantee of government underwriting of their return.

The "think-big" programs are credited with allowing the Muldoon National Party government to retain power with a slim one-vote majority in the 1981 general election. It lost power in the June 1984 snap election after one of its MP's threatened to support the then-labour opposition anti-nuclear policies.

/12858
CSO: 4200/443

NEW ZEALAND

BRIEFS

COMPENSATION FROM FRANCE--Wellington, Dec 12 (AFP)--New Zealand is seeking up to 10 million U.S. dollars from France in compensation for the bombing of the Greenpeace ship Rainbow Warrior in Auckland harbour, Prime Minister David Lange said today. Mr Lange said the figure included the direct costs of the police investigation, the costs of court cases against two jailed French secret service officers and what he called "general and exemplary damages." It was a credible figure by international standards, he said. Negotiations by teams of officials from France and New Zealand on the compensation question reopened in New York this week. Neither side has released any details of the talks or, until today, of the amount involved in the New Zealand compensation claim. Mr Lange said earlier he hopes the talks would reach a speedy resolution of the problem raised between the two countries by the French secret service sabotage of the Greenpeace vessel in Auckland Harbour last July. [Text] [Hong Kong AFP in English 0155 GMT 12 Dec 85 HK] /7358

AID FOR KPNLF SUPPORTERS--The New Zealand ambassador to Thailand visited the Thai-Cambodian border recently to hand over 213,000 baht worth of medical supplies from the New Zealand Government to the civilian supporters of the KPNLF at evacuation site 2, Ta Phraya District, Prachin Buri Province. The ambassador also delivered 213,000 baht worth of assistance in the form of kerosene lamps and kerosens to the supporters of the FUNCINPEC [National United Front for Independent, Neutral, Peaceful, and Cooperative Cambodia] at the Green Hill evacuation site in Surin Province. In addition to this direct humanitarian assistance, New Zealand announced recently a further grant of NZ$100,000 to the UN Border Relief Organization at the Donors' meeting in New York. [Excerpts] [Bangkok Voice of Free Asia in English 1500 GMT 11 Dec 85 BK] /9738

CSO: 4200/426

BULLETIN COLUMNIST LAUDS CORY AQUINO 'LEADERSHIP'

Manila BULLETIN TODAY in English 6 Dec 85 p 7

[Commentary by A.O. Flores: "She's the One"]

[Text] Coming as it did in the wake of the decision on the Aquino-Galman double murder case, Cory Aquino's acceptance of the presidential draft is a breath of fresh air. I should like to think that the KBL leadership also welcomes the news since it has been urging the Opposition all along to get their act together and come up with a "worthy challenger." (I understand the incumbent would like a convincing majority victory, which is only possible in a one-on-one situation, so he says).

I recall Cory's statement on "draft" in a television interview with Ric Puno of "Viewpoint" on the eve of her husband's second death anniversary. Asked if she would consider a draft for the Presidency, the very gracious, the ever comported widow of the beloved Ninoy said: "There are no drafts in this country, there are only storms and typhoons."

And so the draft has inexorably gathered into a storm, nay, a typhoon of public importunings with the intensity of Signal No 3. Rising to the occasion, Corazon C. Aquino--a "real live phoenix"--has spoken.

"I do not seek vengeance, only justice."

"If I shall be able to inspire the people to elect me, I shall be able to inspire them to help me run the government."

Cool, charming, candid.

Do I hear qualities of true leadership?

What do you think?

/9318
CSO: 4200/461

PHILIPPINES

PAPER PREDICTS CORY TO GIVE MARCOS 'TOUGHEST' FIGHT

Quezon City ANG PAHAYAGANG MALAYA in English 6 Dec 85 p 4

[Editorial: "Scary Dare"]

[Text] In what promises to be a confrontation never before seen in this part of the woods, presidential candidate Cory Aquino threw the gauntlet at Mr Marcos in a brilliant strategy reminiscent of the political savvy and savoire-faire of the dictatorship itself. In an interview with Agence France-Presse, Cory ventilated a willingness to meet the President on television to discuss national problems "in full view of the Filipinio people" and the international media. "There is nothing to be afraid of," she stressed, if "both of them are sincere in meeting with each other."

If this challenge proves anything, it is that Mr Marcos is in for the toughest political contest he has ever faced in his storied life. His vaunted rhetoric that could crush an opponent in such a polemical exercise could be demolished or rendered inutile against the cogency of common sense, sincerity and honest will of a woman with a mission of justice and freedom for her suffering countrymen. Mr Marcos would be fighting shadows whom he cannot clearly perceive, he will be raising a lame and feeble voice against the wind, he will be driven to demonic despair by the accumulated evils of the 20-year reign that ensured the complete degradation of the Filipino.

"I want to be an optimist," she said and the finer nuances and meanings in her words cannot be lost on Mr Marcos, "and in fact (Ninoy) used to tell me that Marcos will die only after he has done something good for the country. In other words, (after) he has made peace with the Filipino people and with God."

One is tempted to compare her statements with the unintelligible and insensible drivel of another lady but, of course, comparisons, as they say, are odious and it would be digressing. What is to the point is the immediacy of the problem facing Mr Marcos in the face of the challenge thrown his way by an admittedly formidable adversary. For a man who has never backed out of a fight--and with a score or so of medals to prove it--he really has a most difficult dilemma in his hands. Would he dare to lose in a confrontation he cannot possibly win, or won't he?

Many are inclined to the belief that Mr Marcos, being the man that he is, will take discretion as the better part of valor and still beat a retreat for the nonce. After all, he can live (since he does not intend to die) to fight another day.

But a few Marcos watchers are convinced his pride will make him confront Cory in a one-on-one, whatever forseeable embarrassing outcome lies in store for him. After all, he can bank on his lap-dogs to praise him to the sky and tell everyone and sundry that he acquitted himself with his usual brilliance and aplomb. Within him, however, he would know that the people and the international media know better, and this much he cannot deny or he is only fooling himself.

/9317
CSO: 4200/461

COLUMNIST PUBLISHES LETTER SUPPORTING AQUINO

Quezon City ANG PAHAYAGANG MALAYA in English 7 Dec 85 p 4

["Politics and Politicos" by Ernesto R. Rodriguez, Jr: "MP Munoz-Palma Should Not Expect a Shield in Politics"]

[Text] The letters keep coming and it is obvious that the pro-Cory media blitz is now worn thin. At this writing, more than a week before this paper's date of issue, the events are beginning to conspire against the advisability of a Cory Aquino-for-President ticket in the snap elections.

In any case, I am hereunder publishing two letters, which are self-explanatory. Again, I have no comments to make on them. It is better that way.

One says:

Dear Mr Rodriguez:

Your recent column on Cory Aquino has had a profound effect on her chances of winning any support here in Iloilo. That is because we are aware of your credibility as a political writer and your integrity as an individual. Your fellow Ilonggos have long had nothing but admiration and affection for you. You are much revered here in Western Visayas. Your column therefore has served as a last nail driven into the coffin as Mrs Aquino's candidacy in this part of the country.

Add to this the fact that our beloved Vice President Fernando Lopez, our assemblymen Fermin Caram, Jr and Arthur Defensor and ex-Senator Rodolfo Ganzon are all solidly behind Doy Laurel, and you have a clear picture of how Iloilo will go in the coming presidential elections. Toto Roding devotes all his Monday radio speeches to attacking Cory Aquino's qualifications for the presidency. He says she would only be good for minister of social welfare and nothing more. Even Reinerio Ticao, Ganzon's probable rival for mayor of Iloilo City, is also for Laurel. So where does Cory Aquino expect to get her support here?

I am a woman myself but I cannot see how Cory could possibly get my vote. Advise her to stay home and forget politics. This is the Year of Laurel. Carry on, Tio Nene.

Sincerely yours,

(Sgd.) Victoria Gulmatico, Leganes, Iloilo

By way of an observation on my recent column regarding MP Cecilia Munoz-Palma's experience in the rough and tumble of politics, Orlando Paragua, of 2446 Tejeros St, Sta. Manila, has this to say:

Dear Mr Rodriguez:

Now that the Laurel-Palma case has visibly died down, may I now comment on it dispassionately?

Laurel was berated, chided, ridiculed and was called names. And these came by avalanche. Poor fellow!

I suppose MP Cecelia Munoz-Palma was well aware that when she entered politics she went into war--literally. Considering that in war everything is fair, I am amazed at her seeming naivete.

It is, I think, unfair for her to expect that age and sex would afford her some kind of shield from the harshness of the war of politics especially with the kind we have in the Philippines. Politics, if would seem is a great leveller. It does not recognize, much less yield to, age or sex because it is rather a dog-eat-dog affair.

MP Munoz-Palma was "only" shouted at and humiliated. Indira Gandhi, to name just one woman who plunged into this terrible game of politics, was not only shouted at or humiliated. She was murdered.

At her age, MP Munoz-Palma, in the quiet confines of her home would certainly not be shouted at or humiliated. If at all, she would do the shouting and humiliating. I guess her big concern, as with others like her, is to help tackle the great problems of the country and its people. Which is a noble one. But it is also said that the hand that rocks the cradle is the hand that rules the world.

The reported approval on the second reading by the Batasan Pambansa of the bill creating a new province in Negros island by the name of Negros del Norte will have serious repercussions on the political situation in my province. It would mean that the Opposition will be badly battered in that area of Negros which will comprise this new province. For the fact is that this is the private preserve of former Congressman Armando Cuaycong Gustilo, the No 1 warlord of Negros.

Armin runs this part of Negros like a tight ship. His word is the law in Northern Negros. This is where Escalante is and the whole world knows what happened there recently. From San Carlos City in the farthest north to Silay City and the new municipality of Salvador Benedicto in the south, it is Gustilo Country. And, of course, Cadiz City, Gustilo's hometown, will be the capital of this new province.

/9317
CSO: 4200/461

OPPOSITION PUBLISHER URGES AQUINO CAMPAIGN EVALUATE SUPPORT

Quezon City ANG PAHAYAGANG MALAYA in English 7 Dec 85 p 4

["Publisher's Notes" by Jose G. Burgos Jr: "Signatures for Cory"]

[Text] I came across the other day a letter in one of the establishment newspapers questioning the procedure adopted by the "Cory Aquino for President Movement" in gathering the more than one million signatures urging Ninoy's widow to accept a presidential draft.

The tenor of the letter was, however, not to denigrate the people behind the movement--not like the way the First Lady belittled the groundswell of support to Cory's bid to run in next February's special election.

Mrs Marcos, if you read Malaya's account (Nov 30, 1985), mocked the signature-gathering and boasted that "I could get more than that."

The letter-writer's reaction was a far cry from that of FL. In an almost solicitous tone, he pointed out the fact that his own daughter, a 13-year-old high school student, was among those who affixed her signature in the petition-draft.

The letter-writer has a point. It is possible that many of those who signed the petition could be non-voters, being below 18 years of age.

The Movement's organizers, therefore, should try to take a second, hard look at the signatures to avoid being overwhelmed by the sheer number of signatories.

I suggest that the movement headed by "Don Chino" Roces, evaluate the results, if it has not done so yet. Perhaps the organizers could also release a more detailed report on where the signatories come from and how many of them are men or women. This could help Cory's political strategists in mapping out their election campaign.

One thing is sure, though. Unlike the dubious surveys and petitions engineered by the Marcos bright boys, no palms were greased by the Movement.

And that's a whale of a difference.

/9317
CSO: 4200/461

MALAYA COLUMNIST ANALYZES CORY AQUINO 'BANDWAGON'

Quezon City ANG PAHAYAGANG MALAYA in English 7 Dec 85 p 4

["Business of Truth" by Alfonso O. Policarpio: "A Bandwagon for Cory"]

[Text] Listen friends.

The fiddling is jaunty. You can feel it, like the Christmas carols--rousing, stimulating, tantalizing. Just give it your ear, you can't miss it: it's all within your earshot.

To begin with, there was Cory, the hero and martyr, Ninoy's widow, announcing Tuesday morning that she was accepting the draft, a pressing draft, a you-only draft, by the Laban ng Bayan, the PDP-Laban, the Liberal Party-Salonga Wing, the Mindanao Alliance, the Pinaghiusa, the Convenor's Group, the Bandila, the million signatories of the Cory Aquino for President Movement, and others, for her to go out battle President Marcos in the Feb 7 "snap" election and, with the people, make stingingly good her charge Mr Marcos ordered her husband, Mr Marcos' archfoe, beloved by the people, killed on Aug 21, 1985.

In a statement she read at a press-TV-radio conference accepting the draft, Cory also showed she was very sensitive to the Filipinos' crying needs and she pledged she would meet these demands on her presidency. They are "wants" that make crying demands on the presidency and while Mr Marcos has blinked them away, she said she would address herself to them immediately. No, she said in effect; they cry to be solved today, not tomorrow.

"I look around me and I see a nation that is sinking deeper and deeper into despair," she said. "I look around me and I see a people who continue smiling bravely even if they are unsure about their next meal and, indeed, are growing increasingly angry and desperate. I sense a growing feeling of helplessness and a creeping belief that no matter what abuse may be thrown at our faces, we are powerless to do anything."

"Yet I remain firm in my conviction that while our nation's problems may be extremely serious, they are by no means insurmountable. I believe that this nation can overcome its present difficulties and eventually find its rightful place among the great nations of the world but only if every single

Filipino is prepared to do his or her part in bringing about the meaningful change that we all seek."

This reminded us, instantly, of Ninoy's own outlook into the presidency after Marcos. In a speech at the Tokyo Foreign Correspondents Club in early April 1972, Ninoy said the Filipino problems were "manageable" still, contrary to widespread perception among Filipinos, that they could be settled only by a revolution. But he said:

"But it can be solved only by a new leadership, a committed and dedicated leadership, one that will dutifully attend to the agenda of the nation. Government, for this leadership, cannot be a vehicle for self-advancement. Nor for self-aggrandizement. This will have to be a leadership with a will to clean up, dispensing no favors and fearing no one. It will have to be a leadership prepared to govern by example, sacrificing self and family first before it asks the people to sacrifice. This is an imperative--if it must regain faith in government and lead."

The two statements--Ninoy's in 1972, Cory's last Tuesday--must be seen together as we follow Cory in her campaign. If we believe in the "commitments," for these are what the statements are, then we vote for her. If we don't, then we abandon her to her fate--and, we stress, also Ninoy's fate--and go for Mr Marcos or whosoever may be similarly running for the presidency.

We see, however, that a good segment of our population, respected leaders all, came to the press-TV-radio parley to launch Cory. There were, on the stage with her, ex-Sen Jovito R. Salonga, president of the Laban ng Bayan coalition, ex-Sen Lorenzo M. Tanada, Ninoy's father-figure and chairman of the original Lakas ng Bayan, under which Ninoy ran for the interim Batasang Pambansa in 1978, Manila Times publisher Joaquin "Chino" P. Roces, now chairman of the Cory Aquino for President Movement, and Mambabatas Pambansa and ex-Justice Cecelia Munoz Palma, co-chairperson of the Labang ng Bayan, to begin with.

There were also, on the floor, Members of Parliament Neptali A. Gonzales, the executive vice-president of Unido, Nene Pimentel, president of the PDP-Laban, Rogaciano Mercado, president of National Union for Liberation, Antonio Cuenco and Marcelo Fernan of Pinaghiusa, Homobono Adaza of Mindanao Alliance, Nenita Inday Daluz, whom Cebuanos say commands two million Visayan votes, Lito Atienza, Enrique Belo, Jimmy Ferrer, Ramon V. Mitra, Victor Ziga; Bert Romulo, Antonio Martinez and Imigdio Tanjuatco. There, too, were: ex-Assemblyman Kit Tatad, Con-Con Delegate Bren Z. Guiao and ex-Education Secretary Anding Roces.

The big turn, the healthiest turn, for Cory came Tuesday night. When Neptali went to her press conference, he came merely to observe, as "a friend." But that night he wrote a letter to ex-Sen Salvador H. Laurel, president of Unido, and said he "could not abandon the widow of my dearest friend (Ninoy)." This, for Cory, is of the greatest significance: Nept is

Unido's No 2 man, the opposition's key man in Metro Manila. He is well-known all over the country; he stood for Jovy in Jovy's successful re-election campaign in 1971 after the Plaza Miranda bombing (Jovy was No 1).

Nept's going for Cory began a fantastic groundswell for Cory. We understand as of Wednesday noon, 33 of the 59 opposition assemblymen, including, we have been told, Mel Lopez of Manila, another Ninoy man, the treasurer of Unido, have enlisted in Cory's cause.

The bandwagon is on. Hop aboard.

/9317
CSO: 4200/461

DAVAO PAPER REPORTS REVAMP AT REGIONAL COMMAND XI

HK230814 Davao City THE MINDANAO DAILY MIRROR in English 6 Dec 85 p 4

[Text] Reorganization at the Pc-Inp [Philippine Constabulary-Integrated National Police] Regional Command [Recom] headquarters in Camp Catitipan here continues.

Colonel Jesus R. Hermosa has been relieved as deputy regional commander for operations and reassigned effective November 16 to the Pc-Inp headquarters in Camp Crame, Quezon City to assume a new position in line with the continuing reorganization of all Pc-Inp regional commands in the country. At the time of this relief, Col Hermosa had served as officer-in-charge of the Advance Command Post of Recom XI based in Tandag, Surigao del Sur until its dissolution sometime this year.

Another officer reassigned to Camp Crame Headquarters is Major Ireneo Jurinario after his relief as communications electronics officer of the Command.

Meanwhile, the reshuffle of assistant provincial commanders was completed this week with Lieutenant Colonel Celis J. Nani assuming as deputy Davao Metrodiscom [Metropolitan District Command] commander and Major Romeo E. Larano as assistant provincial commander of Surigao del Sur. Before his assumption as deputy to Colonel Kahulugan, Nani had served as assistant provincial commander for Davao del Sur and shortly before the change of command there, as officer-in-charge while Larano was with the Office of the Inspectorate General.

Surigao del Sur Assistant Provincial Commander Major Lucas B. Sumaoy was also reassigned as assistant provincial commander for Davao del Sur while Major Palawan Macadindang this week assumed as assistant provincial commander for Davao Oriental.

/12858
CSO: 4200/445

FINANCING ARRANGED FOR SUGAR EXPORTS TO U.S.

HK231009 Manila BULLETIN TODAY in English 22 Dec 85 p 23

[Text] Three commercial banks signed yesterday an agreement to provide a P150 million "export advance loan" to the Philippine Sugar Marketing Corporation (Philsuma) to finance the purchase of export sugar and fulfill the country's commitments under the United States quota. Under the agreement, the Bank of Philippine Islands (BPI), Far East Bank and Trust Company and Land Bank of the Philippines will each contribute to establish the P150 million export advance loan to Philsuma. Philsuma has also appointed Bank of PI as the paying agent to sugar planters and millers for their "A" sugar for export to the United States. Thirty-five BPI branches (six in Luzon, 26 in the Visayas and three in Mindanao) will handle these payments to sugar producers in their respective areas. The special P150 million export fund will enable Philsuma to purchase all export sugar produced up to December 8, 1985 and fill up the country's first shipment under the 1985-86 quota in the U.S. Xavier P. Loinaz, president of BPI, O.V, Espiritu, president of Far East, Basilio Estanislao, president of Land Bank and Fred Elizalde, chairman of Philsuma, signed the agreement. The syndication of the P150 million loan was completed in record time by a task force from BPI, BPI Investment Corporation and the People Development Bank (BPI's agricultural bank). The signatories stated that the establishment of the loan fund was their commitment in helping the nation's sugar industry recover from its depressed condition.

/12858
CSO: 4200/445

PHILIPPINES

PAPER REPORTS BANK DILEMMA OVER SUGAR FINANCING

HK190153 Quezon City ANG PAHAYAGANG MALAYA in English 9 Dec 85 p 7

[Text] Near-bankrupt Philippine National Bank [PNB] is forced to continue financing low-interest crop loans to sugar farmers following the refusal of private banks to take over this role. PNB President Placido Mapa said PNB was supposed to get out of sugar crop financing last October in favor of private banks. Banks, however, backed out because government policies provide that once they join the sugar financing program, their lending activities will be confined to financing crop loans and they will be shut off from other more profitable areas, particularly trading.

Mapa said this policy makes sugar crop financing unattractive and PNB is forced to stay in this role "or else the sugar industry will collapse." Mapa said the PNB will allot P600-million in sugar crop financing for the crop year 1985-86 and P300-million for 1986-87. He also cited other government policies that discourage banks from lending to agriculture, now one of the sectors in dire need of financing. He said the "policy impinging on a particular area of agriculture" such as the sugar industry is one of the reasons why the market forces continue to fail to revive the industry.

Mapa also noted that the government still sets guidelines on what crops farmers can grow and imposes controls on the amount of agricultural inputs they can import. He pointed out that this policy discourages profit-oriented banks from taking the risk to an extent that the agricultural sector has to rely extensively on subsidies from the state-owned banks.

Local banks will take a more active role in agricultural financing if prices are allowed more freely and the pricing of agricultural inputs such as fertilizer is freed from controls, Mapa said.

/12858
CSO: 4200/438

DEVELOPMENT AUTHORITY SEEKS REVAMP OF SUGAR COMMISSION

HK190151 Quezon City ANG PAHAYAGANG MALAYA in English 12 Dec 85 p 6

[By Ma. Rosa Ocampo]

[Text] The National Economic and Development Authority [NEDA] has recommended to President Marcos the complete restructuring of the Philippine Sugar Commission [Philsucom] to correct the numerous defects in its regulatory and corporate structure. The NEDA wants Philsucom out of the ownership and management of sugar mills and refineries. It also wants Philsucom to dispose its majority share in Republic Planters Bank [RPB].

Philsucom controls 65 percent of the newly formed Philippine Sugar Corp, which manages and operates 15 cash-strapped sugar mills with total debts to the Philippine National Bank alone reaching P4.7 billion. Philsucom also set up the National Sugar Refining Corp. in 1980 to own and manage Philsucom's three sugar refineries.

NEDA said Philsucom's ownership and management of the sugar mills and refineries encroach into what is supposed to be a private sector concern. It also leads to conflicts of interest as the commission wields regulatory powers over the sugar industry. NEDA said this creates a situation where Philsucom as a regulator is itself also a competitor in the milling, refining and trading of sugar. NEDA also pointed out that the supervision of Nasurefco [National Sugar Refining Company] and Philsucor [Philippine Sugar Corporation] should be transferred from Philsucom to another government agency, probably the National Development Co., which is more skilled to handle these types of activities.

Moreover, NEDA also recommended that Philsucom be stripped of its over 90 percent control of the RPB, a bank claiming to be owned by sugar planters and millers. Only less than 4 percent of the total RPB stockholdings are owned by the private sector while the rest are held by Philsucom whose representatives also comprise the majority in RPB's board of directors, NEDA said.

Another major defect discovered by NEDA is the interlocking directorates in Philsucom and its subsidiaries where the chairman and five associate commissioners of Philsucom are also the chairman and board members of the subsidiaries. This setup does not assure Philsucom and its subsidiaries of any check and balance, NEDA said.

It was also noted that the Commission on Audit has consistently rendered a qualified opinion on the fairness of Philsucom's financial statements as Philsucom refused to submit the financial statements of its subsidiaries, particularly records of the trading operations of the defunct and graft-laden National Sugar Trading Corp.

/12858
CSO: 4200/438

GOVERNMENT BORROWING FROM CENTRAL BANK RISES

HK200526 Manila BUSINESS DAY in English 19 Dec 85 pp 3, 9

[By Rigoberto D. Tiglao]

[Text] The national government's net borrowings from the Central Bank [CB] soared in the first week of December at a rate that could exert an upward pressure on the inflation rate.

The latest CB data indicates that for the December 2-6 week, CB net credits to the national government shot up to P14,206 million from the previous week's level of P10,363 million--an increase of P3.8 billion. The last time in recent years that such a rapid rate of fund releases to the national government occurred was in April 1984, just before the parliamentary elections. At that time the government's net credits, largely as a result of government overdrafts, rose P4.7 billion within a span of three weeks.

These fund releases to the national government--which Prime Minister Cesar Virata repeatedly attributed not to election spendings but to the necessary construction activities during the summer season--contributed significantly to the climb of the inflation rate to record levels in the subsequent months. The rate peaked at 63 percent in October last year.

Technically, the CBs net credits to the national government consist of budgetary advances (including overdrafts) to the CB less the government's cash deposits at the CB, which are now largely that of the proceeds of sales of government Treasury bills. An increase in net credits could either be due to increased budgetary advances (or overdrafts as had occurred in 1984) or to withdrawals by the government from its cash advances with the CB.

Although the composition of the recent increase in CB credits to the national government could not be determined, the monetary impact of these two sources of increases on the CBs net credits however is largely the same. They involve new money being released into the system: if such new funds do not translate into new economic production, they create pressure for a general rise in prices.

BUSINESS DAY sources in the government offered various explanations for the rapid expansion in the government's net borrowings from the CB.

There has been a drastic fall in government revenues, particularly from trade taxes as both the country's imports and exports have steeply fallen throughout the year. A ranking official of the finance ministry said collections for instance of the Bureau of Customs have fallen by about P2 billion so far.

Furthermore, the government had deferred paying its obligations throughout the year to comply with the budget-deficit ceilings imposed by the International Monetary Fund (IMF). However, it has to settle these obligations before the end of the year. In fact, the government's increased borrowings from the CB will reportedly be used to pay such deferred accounts. Another major expense item for the government are the interest payments on foreign loans of large state-owned firms, which it has to settle to comply with the conditions for the entire financial package extended by the country's creditor banks.

/12858
CSO: 4200/438

BANKERS CONFIDENT IN FUTURE STRENGTH OF PESO

HK190157 Manila BUSINESS DAY in English 18 Dec 85 p 2

[Text] Although the peso has been losing against the dollar in the past couple of weeks, the banking community does not expect a dramatic peso slide before the snap presidential election shceduled for February 7. Bankers are saying that the Central Bank [CB] in the next few months, is unlikely to allow a peso depreciation which is similar in magnitude to those the government effected in 1983 and 1984 when the peso was devalued by close to 100 percent. They expect the official peso-dollar rate to stay around the P19-per dollar range, at least until after the presidential election--if it pushes through.

Through its open market operations, the CB is trying to quell dollar speculations among banks. Bankers said this is one definite sign that the CB will not allow another peso devaluation even if this is being recommended by the International Monetary Fund (IMF) as a way to boost the country's exports. Moreover, bankers believe that the CB is not about to take a gamble with its foreign exchange position. It recently reduced its lending rates for the loan program for agriculture--called the agricultural loan fund (ALF)--which is partly funded by a $100-million loan from the World Bank. The CB's lending rate under the ALF is now 13.75 percent a year from the previous 16.5 percent a year.

Sources said the CB's foreign exchange risk, which comes from its dollar loan from the World Bank, is imputed in the old ALF loan rate. A peso depreciation means the CB has to earn more pesos to pay the same loan amount. Thus, by reducing its lending rate under the ALF, the CB is taking a foreign exchange risk. "With this situation, it is natural for the CB to protect its position," a banker said. As the peso lost against the dollar for three consecutive weeks, the CB last week raised its borrowing rates from banks to an average of more than 20 percent a year. The higher CB payments on its loans from banks pushed up interest rates in the interbank peso loan market, which in turn made dollar speculation quite expensive for banks. Interbank rates last week averaged more than 20 percent a year. The last time these rates hit the 20 percent mark was early last month when the CB also tried to contain dollar speculation among banks.

The slide of the peso nevertheless continued last week, closing at P18.903 per dollar. Bankers said the official peso-dollar rate, which is computed from the results of dollar trading among banks, was merely reacting to the peso's weakness in the dollar blackmarket. Last week, blackmarket rates jumped to P19.60 per dollar from about P19.10 per dollar. But some bankers noted that blackmarket rates have been erratic in the past few weeks. "If it were dollar speculation which was pushing up the blackmarket rates, the uptrend should have been consistent," a banker said. Others said that since the government is more or less in control of the dollar blackmarket, the movements in the rates may have been dictated.

/12858
CSO: 4200/438

CENTRAL BANK TO PAY INTEREST ON DEBTS TO BANKS

HK131547 Manila BUSINESS DAY in English 13 Dec 85 p 2

[Text] The Central Bank [CB] has agreed to pay interest on what it owes commercial banks under the so-called dollar swap arrangements, but it has also ruled that the banks cannot book the interest earnings as profits. Sources said the CB already owes banks some P5 billion in interest under these swap arrangements. This is the amount the banks cannot claim as income. Under a CB circular letter revising the accounting methods banks used in their foreign exchange transactions, banks have to consider these interest earnings as equity. In effect, they cannot use the interest earnings to declare dividends with. The Bankers Association of the Philippines (BAP) is contesting the CB rule. A BAP official said the association's arguments have been presented to CB Governor Jose B. Fernandez Jr.

Under a dollar swap deal, banks borrow dollars from abroad which they exchange for pesos with the CB. The series of peso devaluations since 1983 meant that the CB had to give banks more pesos for their dollars under the swap transactions. To avoid releasing more funds into the system which would be inflationary, the CB refused to give banks these swap differentials and, instead, offered to pay interest. Recently, the CB decided to revise the chart of accounts (CA)--the CB-prescribed accounting method used for banks' financial statements and reports submitted to the CB--for commercial banks and universal banks. The revised CA requires banks to "immediately credit" the swap differentials and the interest earnings under an equity but non-income account.

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CSO: 4200/438

PHILIPPINES

CORPORATIONS' DEBTS TO BE RESCHEDULED

HK170925 Manila BUSINESS DAY in English 16 Dec 85 p 2

[Text] About $1.3 billion worth of debts of private corporations is expected to be rescheduled under the program to be administered by the Central Bank's [CB] Private Debt Restructuring and Repayment Corp. Caridad Valdehuesa, special assistant to the CB governor and general manager of the CB subsidiary, said this was the preliminary estimate provided by the CB's debt rescheduling task force. The estimate is slightly bigger than the $1.1 billion the CB had earlier calculated will be the private corporate debt that will be rescheduled under the May 20 agreement signed with the country's creditor banks. Valdehuesa explained that the rescheduling program started last December 1 and that the CB subsidiary, with a staff of 27, is now fully operational. The original start of the program set for November 1 was moved to December 1 under CB Circular No 1082. The so-called "entry period" for the program--the period during which private corporations must reach rescheduling agreements with their bank creditors and include their debts in the rescheduling program--runs from December 1 to June 1. The CB subsidiary had to be set up to assure the country's bank creditors that while private corporate debts will as much as possible be retained as private obligations--unless the creditor banks agree to convert them into public debt--the CB, with a guarantee of the national government backing it up, will see to it that these will be paid under the terms to be agreed upon individually by the private firms and their creditors.

There are 178 private corporations whose foreign debts, or those falling due between October 17, 1983 and December 31, 1983, may be rescheduled. Among the biggest debts to be rescheduled are those of the Manila Electric Co. (Meralco), Philippine Long Distance Telephone Co. (PLDT) and San Miguel Corporation. A large portion of these debts was incurred through the offshore banking units (OBUs) which lent out dollars to banks, the peso equivalents of which were then lent to private corporations.

The CB subsidiary has provided four options to corporations for rescheduling their debts which involve the payment to the subsidiary of the peso equivalent of the debt repayments according to the schedule the firms will agree with their creditors. Although one option allows the firms to retain the original schedule of the loan repayments, the rescheduling agreements will involve stretching out maturities for a minimum of 7 years and a maximum of 10 years. CB official Valdehuesa said that because of the stretching out of the maturities, the impact of the private sector's debt rescheduling on liquidity as a result of the peso deposits will be minimal.

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CSO: 4200/438

INTEREST ON AGRICULTURAL LOAN TIME DEPOSITS CUT

HK170909 Manila BUSINESS DAY in English 16 Dec 85 p 3

[Text] The Central Bank [CB] last Friday reduced to 13.2 percent from 16.7 percent the interest rate on agricultural loan fund (ALF) special time deposits to be charged participating commercial, thrift and rural banks. The new rate, which took effect immediately, was adopted in line with an agreement with the World Bank to keep the interest rate on ALF special time deposits market-oriented.

The ALF project is a World Bank-assisted lending program intended to boost agricultural activity. World Bank funding for the program amounts to $100 million. In general, the ALF will provide funding to qualified borrowers through participating banks to finance seasonal, medium- and long-term agricultural credit for poultry, livestock, fisheries development, plantation crops, including sugar, coconut, coffee and others. Loans are made available to qualified borrowers through special time deposits to be placed by the CB in eligible participating banks. Under the formula provided for in the loan agreement, the interest rate on ALF special time deposits will be determined on the basis of either the cost of borrowings to the ALF, related administrative costs and an element of foreign exchange risk, or the weighted average of savings and time deposit interest rates, including the cost of deposit mobilization, whichever is higher. The CB noted that the weighted savings and time deposit rate for the three-month period September 4-November 20 of 13.2 percent was higher than the breakeven cost of ALF funds of 12.5 percent, hence the applicable rate of 13.2 percent per annum. The CB added that the interest rate of ALF special time deposits will be reviewed periodically to align these rates with prevailing market rates.

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CSO: 4200/438

AIRLINE LOSES PETROL TAX EXEMPTION

HK181541 Manila BUSINESS DAY in English 18 Dec 85 p 11

[By Geselle J. Militante]

[Text] President Marcos has ordered the withdrawal of the tax exemption privilege of Philippine Airlines [PAL] in the purchase of domestic petroleum products for domestic operations, effective November 1, 1985. The order is contained in Letter of Instructions [LOI] No 1483, signed October 31. It says PAL's tax exemption privilege "has resulted in serious tax base erosions and distortions in the tax treatment of similarly situated enterprises." Under the order, PAL will have to pay customs duties and the 10 ad valorem duty on fuel bought for domestic operations.

A high-ranking PAL official and a member of the Civil Aeronautics Board estimate the amount of tax involved at P300 million a year. It is a conservative estimate of the government subsidy PAL has obtained in the form of tax exemptions. PAL has been enjoying tax exemptions since 1969 based on a ruling of the then Department of Finance.

President Marcos also issued LOI 1415 in July 1984 to give PAL exemption from payment of specific and ad valorem taxes on domestic petroleum products. The LOI provided that any local oil company which had a contract with PAL for the supply of petroleum products for the airline's use may import crude oil without the payment of customs duties and the ad valorem tax.

The tight financial situation in the country has pushed the government to consider withdrawing tax exemptions. As LOI No 1483 states: "There is a need for government-owned or -controlled corporations and all other units of government enjoying tax privileges to share in the requirements of our economic recovery program."

PAL's franchise to operate, embodied in Republic Act No 1471, as amended by PD [Presidential Decree] No 1924, requires it to pay either a quarterly tax on its gross revenues or the basic corporate income tax, whichever is lower, in lieu of all other taxes, duties and fees that may be imposed by the government. The franchise says PAL's tax exemption refers only to its direct taxes. Payment of specific ad valorem taxes on domestic petroleum products is the direct liability of the manufacturer or producer of the products. Only later rulings allowed PAL to enjoy tax privileges.

Removal of the tax privileges is seen as a necessity and forms part of the government's commitment to the International Monetary Fund, according to sources in government. This commitment is made in the government's letter of intent submitted to Jacques de Larosiere, managing director of the IMF, and signed by Prime Minister Cesar Virata.

Roman A. Cruz Jr., PAL president and chief executive officer, has been resisting and continues to resist removal of PAL's tax exemption. He is set to meet with Virata and President Marcos to appeal PAL's case. PAL officials up to now refuse to officially acknowledge the existence of LOI No 1483. They maintain that implementation of the LOI has been suspended and remains so.

The Civil Aeronautics Board [CAB] is supporting PAL's opposition to the removal of its privilege. A source in the CAB said the removal of PAL's tax exemption would put the structure of air fares in disarray. "The direct implication," the source said, "is a P300-million yearly loss in revenues, which PAL could not afford right now. It would also mean that less people would travel PAL's heavily traveled route. In sparsely traveled routes, PAL services would eventually just cease."

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CSO: 4200/438

GOVERNMENT PLANS NEW GROWTH PROGRAM FOR ECONOMY

HK131613 Manila BULLETIN TODAY in English 13 Dec 85 pp 25, 26

[Text] The government is drafting a second-phase economic program designed to supplant the stabilization plan which will end in the middle of next year and bring the economy to a growth phase starting next year. Sources close to the National Economic and Development Authority disclosed that the new program would build on the gains achieved during the 18-month stabilization period which saw the inflation rate brought down from a peak of 65 percent to 6.28 percent, the restructuring of portion of the foreign debt, the turnaround of the balance of payments deficit, and the curtailment of public sector deficit. They said that these achievements were made at the expense of a decline in gross domestic production which, as measured by the gross domestic product (GDP), dipped 5 percent in 1984 and was still expected to further fall by 4.0 percent this year.

The new economic program is calculated to ensure that the economy is brought back to a growth pattern, an objective which could be easier to accomplish starting next year since all the ingredients for financing, budgetary leeway, and monetary elbow room are already in place. Part of the blame for the further decline in GNP this year could be on the delay incurred in securing the additional releases from the International Monetary Fund credit facility, the new money from the foreign creditors, and the trade financing facility. Expected in the second quarter, this crucial financing package became available only in August.

The sources pointed out that the government would also review certain targets, especially those on exports and imports, and identify critical areas in trade that need to be addressed to immediately promote growth in exports. The existing 18-month economic program placed export growth this year at 10 percent. At the end of the 11-month period, exports in fact showed a decline of 14 percent over the comparative figures last year.

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CSO: 4200/438

BANK GIVES EXPLANATION FOR LOSSES

HK200502 Manila BULLETIN TODAY in English 19 Dec 85 p 19

[Text] The Development Bank of the Philippines (DBP) said yesterday that it did not make provision for possible losses of P23.24 billion in its financial statement in 1984 on accounts covered by its rehabilitation program because these losses were to be shouldered by the national government. The bank issued this explanation in reply to a news report that cited the Commission on Audit [COA] as having placed DBP's total loss in 1984 at P32.55 billion as against the reported loss of the DBP of only P6.6 billion for the same year. It said that the difference between the COA's loss figure and its own was the fact that the DBP excluded P23.24 billion estimated provision for possible losses on accounts classified as "government-behest" accounts under the rehabilitation program of 1984. Losses on these accounts, as specified under this rehabilitation program, were to be shouldered by the national government.

According to the DBP, the reason why the 1984 rehabilitation did not work but was originally comtemplated was because it was only partially implemented in 1984. While one component of the program--government financial assistance of P5.4 billion through P3.7 billion fresh equity infusion and P1.7 billion conversion of existing government deposits into equity equity--was granted, the second component--the transfer of the non-performing accounts from the books of the banks to the national government--was not carried out. Accordingly, the huge losses incurred by these non-performing accounts continued to pile up and are still piling up in the DBP's financial statements.

At the time the DBP rehabilitation program was approved by President Marcos on December 14, 1983, the combined government-behest and non-performing accounts amounted to P36 billion or 62 percent of the bank's total resources that year.

Another reason for the wide discrepancy in the COA and DBP loss figures was deferral of booking of P2.54 billion losses on the sale of assets mostly on one shipping account which the DBP did not identify but is presumed to be Galleon Shipping Corp. of the former CDCP [Construction and Development Corporation of the Philippines] group. It was the bank's contention that this loss should have been deferred because it pertained to a contingent liability assumed by the DBP at the time of the sale of the account and on which there had been no actual cash outlay.

The DBP said the increase in arrearages in 1984, which amounted to P12.2 billion, was the restriction adopted under the rehabilitation program for any new or additional refinancing or restructuring schemes for borrowers, except in "very meritorious cases," because such arrangement has not generally proven beneficial to be of real benefit both to the DBP and its borrowers. Its worsening arrearages were likewise due to the present state of the economy, and were in fact the reason for the formulation of the rehabilitation program of 1984.

The bank defended its losses of P3 billion incurred in the sale of its acquired assets by the need to generate cash and minimize government assistance. It said these losses could not be helped because the sales were the best alternative under the circumstances.

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CSO: 4200/438

TAX COLLECTIONS REPORTED UP BY 47.8 PERCENT

HK240603 Manila BUSINESS DAY in English 23 Dec 85 p 2

["Economic Indicator" column: "Tax Collection Improves 47.8 Percent"]

[Text] Tax collection of the Bureau of Internal Revenue (BIR) for the first eight months of 1985 rose 47.85 percent to P29,423.3 million from P19,901.3 million collected in the same period a year ago, data compiled by the National Economic and Development Authority (NEDA) indicated.

The higher collection level was the result of the stepped up collection drive of the bureau. Tax collections from all sources increased during the period in review.

For the eight-month period, revenue generated from income taxes accounted for 42.83 percent or P12,602.3 million of the total. This was 56.3 percent more compared with last year's P8,077 million.

On the other hand, collections from specific taxes registered a higher percentage increase of 57.05 percent from P5,744.9 million the previous year to P9,022.2 million this year.

Revenue generated from license, business and occupational taxes contributed P4,338.5 million to the total collections.

(See Table on following page)

Collections of the Bureau of Internal Revenue

January 1984 to August 1985
(in million pesos)

Period	Total	Specific Tax (Domestic)	License, Bus, and Occ. Taxes	Income Tax	Others
1985					
January	4,696.2	1,260.9	1,054.5	1,793.5	587.3
February	3,072.0	1,099.3	656.1	1,078.5	238.1
March	3,049.9	1,179.9	288.5	1,260.4	321.1
April	5,580.4	1,173.4	1,288.2	2,483.5	635.3
May	2,731.5	1,149.1	152.8	1,102.6	327.0
June	2,534.7	1,033.5	73.8	1,206.9	220.5
July	4,871.4	1,107.8	753.9	2,412.5	597.2
August	2,887.2	1,018.3	70.7	1,264.4	533.8
Total	29,423.3	9,022.2	4,338.5	12,602.3	3,460.3
1984					
January	2,457.8	600.0	712.2	827.7	317.9
February	1,964.8	608.4	513.1	534.5	308.8
March	1,401.6	607.5	102.3	514.9	176.9
April	3,925.5	630.6	591.4	2,395.6	307.9
May	2,020.1	745.2	127.2	855.1	292.6
June	1,612.4	872.5	146.8	410.3	182.8
July	3,843.1	850.5	936.6	1,358.6	694.4
August	2,676.0	830.2	302.1	1,180.3	363.4
Sub-total	19,901.3	5,744.9	3,434.7	8,077.0	2,644.7
September	1,303.0	779.5	84.7	238.3	200.5
October	3,676.0	1,086.2	724.7	1,257.8	607.3
November	3,387.4	1,175.1	497.7	1,323.7	390.9
December	3,818.4	1,113.5	427.8	1,873.8	403.3
Total	32,086.1	9,899.2	5,169.6	12,770.6	4,246.7

Source: Bureau of Internal Revenue

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MANILA RESTRUCTURES TARIFF RATES FOR INDUSTRY

HK130305 Manila BUSINESS DAY in English 12 Dec 85 p 2

[By Daniel C. Yu]

[Text] The government has completed the restructuring of various rates of duty for 12 industry sectors as part of its current overall tariff review in preparation for the liberalization of imports which will start next month. President Marcos has signed Executive Order No 1062-A which adjusted the rates of duty of the various commodity groups belonging to the 12 major sectors under the Tariff and Customs Code of the Philippines. Documents made available to BUSINESS DAY showed that the 12 sectors are: live animal, animal products; cereal; vegetable products; prepared foodstuffs, beverages, spirits and tobacco; mineral products; products of chemical and allied industries; artificial resins and plastic materials; textile and textile articles; articles of stone, glass and glassware; base metals; machinery and mechanical appliances, electrical equipments and parts; and musical instruments.

In the case of live animal and animal products, the rate of duty for live poultry, dead poultry including ducks, chickens and turkeys was reduced to 40 percent ad valorem from 50 percent previously. The import duty for fish, whether live, chilled or frozen, was adjusted to 10 percent-20 percent depending on the month when the fish is imported. The duty was increased for the months when fish is abundant and lowered for the months when the fish supply is low. The executive order also adjusted the rate of duty for corn from the present 10 percent to 20 percent. The increase is intended mainly to protect local corn farmers, a major sector of agriculture that the government is promoting. The duty on prepared or preserved fish such as mackerel and sardines as well as tuna was adjusted to 20 percent from the previous 10 percent. For all other prepared or preserved fish, the duty was pegged at 30 percent from the previous 50 percent.

Mineral products such as coke and semicoke of coal and coke and semicoke of lignite or peat were given a rate of duty of 10 percent. The duty on chemicals such as hydrogen peroxide was reduced to 10 percent from 50 percent. The rate of duty for methyl alcohol was reduced to 10 percent from 20 percent. Under glass and glassware, yarn silvers and rovings were given a rate of duty of 20 percent; glass fiber fabrics, including narrow fabrics, 30 percent; and glass fiber mat of a kind used as reinforcing materials for plastic articles, 20 percent.

The rate of duty for wicks, of woven, plaited or knitted textile materials, for lamps, stoves, lighters, candles and the like as well as for tubular knitted gas-mantle fabric and incandescent mantles was increased to 30 percent from the previous 20 percent.

In signing the executive order, the president noted that there are still tariff rates in the Tariff and Customs Code of 1982, as amended, which are not in accordance with the tariff reform program guidelines promulgated in 1981. This has resulted in either the over or under protection of certain industries, he said, adding that this situation has to be modified to even out the protection structure. He said the underlying objective of the tariff reform program is to improve the industrial efficiency and the international competitiveness of domestic industries. In line with the tariff reform program, certain guidelines were established to ensure that the progression of rates from raw material to finished consumer goods are kept at levels sufficient to protect domestic industries.

The tariff reform program was started in 1981 following a commitment made by the government to reduce tariffs on a wide range of items over a five-year period after it secured a structural adjustment loan from the World Bank totaling $502.3 million. The gradual tariff reduction was interruped however by the foreign exchange crisis of 1983. The government had to ask the World Bank for a postponement of the tariff reduction program until after the debt rescheduling package for the country was in place. The structural adjustment program is intended to lower tariffs for a broad range of imported items to force domestic industries to become more competitive. Under the updated Philippine Development Plan for 1984 to 1987, the country has committed to undertake policy reforms that will encourage local industries to improve their quality and cost competitiveness. Under the reform program, the Philippines has committed to reduce the average statutory rate to 28 percent, narrow down the tariff disparity to between 10 percent to 540 percent [figure as published] ad valorem, and reduce and even out protection for industries this year.

The move to reduce tariff and liberalize imports starting next year however has elicited negative reactions from the business community which believes the timing of the program is wrong. The business community has argued that implementing such a program at a time when domestic industries are still trying to recover from the crisis would put these industries in a very precarious position. One of the proposals of the private sector was for the government to conduct an overall review of the tariff structure. The president thus directed the National Economic and Development Authority (NEDA) to undertake such a study.

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CSO: 4200/445

CONSUMPTION OF PETROL, RELATED PRODUCTS FALLS

HK240645 Manila BUSINESS DAY in English 23 Dec 85 p 2

[Text] Petroleum consumption continued its downtrend this year, declining by 10.5 percent to 55.149 million barrels from 61.638 million in 1984.

Data released by the Ministry of Energy (MOE) late last week showed that asphalt consumption was also down by 22.2 percent to 270,000 barrels from 347,000 barrels last year.

Other petroleum products that showed noticeable declines in consumption included fuel oil, 14.9 percent to 20.748 million barrels from 24.390 million; liquified petroleum gas (LPG), 14.1 percent to 1.911 million barrels from 2.225 million; kerosene, 11 percent to 2.020 million from 2.269 million; regular gasoline, 7 percent to 2.526 million barrels from 2.717 million; avturbo, 5.1 percent to 2.681 million barrels from 2.824 million; and premium gasoline, 3.1 percent to 5.768 million from 5.954 million.

Aside from the economic slowdown and the shift to nonconventional energy sources, another factor which has caused the fall in consumption of essential fuels, particularly fuel oil, was the high tax component slapped on such products. Energy Minister Velasco last week said that lowering taxes on fuel oil, an essential fuel used by industry, can encourage economic activity. Fuel oil currently has a 30 percent tax component.

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PHILIPPINES

BRIEFS

RECORD RICE HARVEST PREDICTED--The agriculture ministry is predicting that the 1985-1986 harvests would be the largest palay crop on record. The large production for November and December is now estimated at 3.1 million metric tons. The production level will go even higher when the dry season crop which is now being planted is harvested early next year. The agriculture ministry claimed that typhoons which hit rice-producing regions this year failed to substantially affect overall production. Officials said that barring unforeseen calamities, there will be no more rice imports next year. [Text] [Quezon City Maharlika Broadcasting System in English 0400 GMT 24 Dec 85 HK] /12858

CSO: 4200/445

SINGAPORE

VOMO CRITICIZES SINGAPORE ON PRESS FREEDOM

BK230810 (Clandestine) Voice of Malayan Democracy in Malay 1215 GMT 19 Dec 85

["News report": "Goh Chok Tong Speaks Glibly to Restrict Press Freedom"]

[Text] Goh Chok Tong, first deputy prime minister of the Singapore Government, spoke and answered questions from newsmen at a dinner sponsored by Harvard Club Malaysia in Kuala Lumpur in August of this year. Answering questions on press freedom in Singapore and on whether his government is exerting pressure on public opinion through its iron-handed rule, he [words indistinct] that the Singapore Government does not allow the existence of two oppositng forces win support from public opinion. He said that the mass media and politicians should have broad common views and that the government does not allow the press to challenge politicians. In his opinion, if the press is allowed to do so, press leaders should stand in general elections because this means that press leaders are the same as politicians. He stressed that the press is not allowed to differ with the government in basic issues. He stated that he is not worried over the Singapore press which must perform its tasks under certain control.

Goh Chok Tong's nonsensical statement has in fact totally exposed the absence of press freedom in Singapore. It is public knowledge that the private press is normally a means to reflect public opinion and a means for the people to express their own views on government policies and other social problems. Hasn't the private press become a government servant since it is not allowed to carry opinion and views different from the government's and is only allowed to support government policies? Why is the People's Action Party too afraid of the people's views and is arbitrarily denying press freedom if it is right and just?

Goh Chok Tong denied that the Singapore Government is repressing public opinion through its iron-handed rule. This statement is comparable to trying to cover elephant corpses with winners. Why? The Lee Kuan Yew regime has been controlling the press through its iron-handed rule and depriving the people of the freedom of speech and press. In the last few years, the regime has taken a series of measures against the press in an effort to exert pressure on public opinion more effectively. In 1982, it merged two main Chinese-language newspapers--NANYANG SIANG PAU and SIN CHEW JIT POH and later established the Singapore News and Publication Limited (SNPL). This press group published LIANHE ZAOBAO and LIANHE WANBAO the next year. In 1984, SNPL was merged with Science Publishing Berhad [Limited] as the Singapore Holding Press Group. At present, all newspapers in various languages published in Singapore are placed under this company. They have lost competitiveness. The direct and comprehensive action of the Lee Kuan Yew regime in controlling the press through monopoly groups has angered democrats at home and abroad. Local journalists staged protests to criticize the authorities for arbitrarily violating freedom of the press.

Not only does the dictatorial Lee Kuan Yew regime refuse to accept the people's views but it has gone even farther. According to a Singapore Government press release at the end of last April, [words indistinct] the professions of journalists and taxi drivers will be classified as necessary services under which they are not allowed to take industrial action. Consequently, journalists will no longer be allowed to take part in strikes. This has turned out to be another serious step in exercising tighter control over the press. In addition, the People's Action Party regime always takes measures against journalists through the Public Security Act. The public already knew this fact. Thus, Goh Chok Tong could unsurprisingly only speak globly when Kuala Lumpur newsmen posed questions on the Singapore Government's repression of freedom of the press.

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CSO: 4213/60

BRIEFS

MINISTER OF STATE RESIGNS--NTUC [National Trade Union Congress] Deputy Secretary-General Dr Wan Soon Bee has resigned as minister of state, Prime Minister's Office [PMO]. Dr Wan tendered his resignation, according to a report in LIANHE ZAOBAO yesterday, to allow him to concentrate on union work. His resignation is the third reported in less than a week, following those of Mr Teo Chong Tee, parliamentary secretary (Community Development), and Mr Lau Ping Sum, political secretary (Health). Dr Wan, 45, will remain the member of parliament for West Coast, a constituency he has represented since 1980 when he first entered politics. His involvement in the NTUC came soon after he was first elected MP. He was made political secretary in the PMO in 1982 in a move to strengthen NTUC'S role in building up a highly motivated and productive work force. He was promoted minister of state without portfolio two years ago and was appointed to his position in the PMO after the last election. A vocal supporter of company welfarism, Dr Wan is also the only union representative on the high-level Economic Committee headed by Brigadier-General Lee Hsien Loong. [Text] [Singapore STRAITS TIMES in English 25 Dec 85 p 1 BK] /12858

CSO: 4200/442

THAILAND

MONK DESCRIBES CHAMLONG SECT AFFILIATION, PRECEPTS

Bangkok LAK THAI in Thai 28 Nov 85 pp 24-26

[Interview with Phra Phothirak about Maj Gen Chamlong Simuang and Santi Asoke; date and place not specified]

[Text] Santi Asoke is in the news again following the landslide victory of Maj Gen Chamlong Simuang in the Bangkok gubernatorial election. Is this a quack sect or a truly religious place? What is Maj Gen Chamlong Simuang's connection with Santi Asoke? Will Santi Asoke expand after serving as a base for Maj Gen Chamlong's rise to the position of governor of Bangkok Metropolitan? No one is in a better position to answer these questions than Phra Phothirak of Santi Asoke, who in the past has been charged with being a false savant. He granted this special interview to LAK THAI.

[Question] How did Maj Gen Chamlong Simuang happen to becomeaffiliated with Santi Asoke?

[Answer] Chamlong was a seeker. He went to various temples in search of monks who could enlighten him about the Four Noble Truths. He came to listen to the teachings here in 1977. The Young Turks were well known then. But I did not know him. An officer who used to come here and who is now a general in charge of some department saw that Chamlong often came to listen to the teachings here. He pointed him out to me and said that even Young Turks were coming here.

I asked him about him, and he said that he was a good man. I had heard about the Young Turks, but I did not know him. After he pointed him out to me, I remembered him and saw that he came here quite often to study the teachings. That was when we became friends.

[Question] How great a role does Maj Gen Chamlong play at Santi Asoke?

[Answer] What do you mean by "playing a role?"

[Question] In terms of providing help.

[Answer] He does good deeds and engages in charitable activities. If we lack anything, he does his best to help. He has been of great help in spreading the teachings. He helps because he thinks that we are following the proper course. A Dharma Army Foundation was established. He serves as the president. He has helped spread the teachings throughout the country. Sometimes he goes alone and sometimes he goes with members of the Dharma Army. He has given more than 400 speeches urging people to give up this and that. He has given up a lot. If you have anything extra, give it to society, that is Chamlong's motto.

[Question] Did he involve Santi Asoke in his campaign for governor of Bangkok Metropolitan?

[Answer] No. He knew that that was a personal matter. He did not use the name Santi Asoke in his campaign. I sent letters to the editors of all the newspapers. Because initially, when speaking about Chamlong, the newspapers frequently said "at Santi Asoke" or "of Santi Asoke." They frequently mentioned Santi Asoke. We didn't feel that that was right. That was a personal matter of Mr Chamlong. We didn't feel that they should involve Santi Asoke in this. There are still many people who do not understand us. That would not have been good.

Chamlong should be his own man and not involve us. Good and bad are up to him. If there are no problems, that is good. He will prove himself. I told the newspaper editors about this and received good cooperation. The newspapers did not involve Santi Asoke.

People know about things. They learn from various sources. Laymen help each other. People can't be blamed. They are brothers. People gave help. It's good that they helped Mr Chamlong, who has volunteered to shoulder these heavy burdens. Mr Chamlong is a capable and moral person. He is a very efficient person. He should be supported.

[Question] But during the election, Santi Asoki came under attack. It reached the point where people were told that they had to choose between Santi Asoke and the supreme patriarch.

[Answer] Some people were just trying to stir up trouble. That is their affair. It's too bad that they have to fight like this. It seems that they had to do that. I did not take offense. I forgive them. Everybody knows what should and should not be done. I didn't take offense. That is quite common in this world.

[Question] Before he entered the race for governor of Bangkok, did Maj Gen Chamlong discuss this with you?

[Answer] A little. But everything was up to Mr Chamlong. He is the one who made the decisions.

[Question] What effect will Maj Gen Chamlong's election victory have on Santi Asoke?

[Answer] I am not a fortune teller. I don't know what effect this will have. I can't make a prediction. I don't like predicting the future. I don't like making plans and forumlating projects for the future. I like to work in the present. I prefer not to make predictions or make grand plans for the future.

[Question] This should at least enhance the image of Santi Asoke because Maj Gen Chamlong is a good person from Santi Asoke who is accepted by society.

[Answer] That's good. But you can't say that he is a product of Santi Asoke alone. Mr Chamlong has studied at various places. He learned things from the Chulachomklao Royal Military Academy and from the United States. There are many facets to Mr Chamlong, not just the Buddhist teachings. That is, he is not the product of Santi Asoke alone. Thus, it is incorrect to say that he comes from here. We are not that important. But it is good that he won the election. He has many good qualities that people everywhere respect. We feel the same way and so we campaigned for him.

[Question] Will the election of Maj Gen Chamlong help you to spread the teachings of Santi Asoke?

[Answer] We are being very careful about this. We will definitely not take liberties. I have warned my followers about this. People are watching us closely to see if we will take advantage of this. If we do anything inappropriate, they will think that we have taken this chance to spread our faith. I am very careful about relying on an institution or organization or relying on influential people. I am very careful about this.

I was very careful during the period that Mr Chamlong served as the secretary to the prime minister. Thus, no one has ever accused of us taking advantage of his influence, except those who have tried to malign us. Some people charged that we used Lumphini Park, but that was not true. It was Dr Rawi Phawilai who organized that. He had his own group. He asked permission to use Lumphini Park. But people used that to malign us.

We will definitely not do that. I have faith in the truth. We have to rely on ourselves. It isn't necessary to rely on something else. There are relationships everywhere. Because in this world, everything is related. People have to have relationships. We can't get away from each other. But we don't emphasize that. We don't have to create relationships. These exist as a matter of course.

[Question] Why have people charged that Santi Asoke is not a Buddhist sect?

[Answer] Santi Asoke's teachings have to be studied carefully. We subscribe to the Four Noble Truths. In practice, we follow the Noble Eightfold Path. We hold to the precepts and practice mental concentration in order to promote knowledge of the self. This is called "potential." We follow the precepts and teachings. We meditate. This is the way to gain wisdom and reach enlightenment based on the Noble Eightfold Path. The enlightenment of the Buddha was "sama" enlightenment, which will continue to produce effects.

Those who practice the teachings will be moral people. If people follow the teachings regularly, they will become moral people and act morally in their daily lives. Santi Asoke wants people to rid themselves of their defilements. Our goal is to practice the precepts and eliminate the defilements.

[Question] And so why have people charged that Santi Asoke is not Buddhist?

[Answer] That happens to be what other people think. That is why I said that our teachings have to be studied carefully. When there is a contradiction, there is conviction. They have confidence in what they call the truth. That is, they believe that that is the truth. Everyone has their own beliefs. We feel that our beliefs are the truth. But what is important is that there is no one to decide the question of whose "truth" is correct. It's a matter of belief. Such conflicts are normal.

[Question] But Santi Asoke is viewed as a quack religious office.

[Answer] We are trying to correct this view. As for being a quack religious office, in the system of the Council of Elders or Thai Sangha, they have their rules. Monks are not allowed to establish a temple. Those who want to do so must first establish an office. You have to ask for permission from the committee that they have established. You have to inform the Department of Religious Affairs based on their rules. You have to be sponsored by a temple. When you have a guarantor like this, you can register as a religious office. This is the proper way.

But if a religious office does not request permission and just goes ahead and establishes itself as a religious office, it is considered to be a quack office. Thus, in their system, there are both legitimate and quack offices.

But we are not subordinate to a Thai religious office or to the Council of Elders. We don't have rules and regulations. We call ourselves the Samnak Santi Asoke. Some people call us Samnak Sieolimyi. It becomes a habit to call us that.

Actually, Santi Asoke is a temple. That is, it is a proper Buddhist monastery. It is a proper temple based on Buddhist teachings. I want to say that we follow the Buddhist teachings. We are Buddhists. We just don't call Santi Asoke a temple as they would.

[Question] But in practice, it's necessary to request permission.

[Answer] According to the rules of the Council of Elders, you have to ask permission. But we are not subordinate to the Council of Elders. Why do we have to follow the rules of the Council of Elders? This has to be understood. We shouldn't be forced to do that. We belong to different sects. My sect is part of the Thammasanti Foundation. We don't use their rules because we belong to different sects. We don't have an office. They are wrong when they call us an office. They call us a quack religious office, but we don't have an office, either legitimate or otherwise. We don't have a system like that of the Council of Elders. This is something that is misunderstood.

[Question] Does this mean that you are separate from Buddhist circles in Thailand?

[Answer] You could say that. We are not part of the Thai Sangha. Article 25 of the constitution gives people the right to follow any religion or sect that they want. But we have not established a separate religion because we are confident that we have followed the Buddhist teachings. We want to join the sects. The reason why I split away was because of my objection to splitting the sects.

At that time, I was at Wat Osokaram. That temple belonged to the Thammayut sect. I wanted the Thammayut and Mahanikai sects to join together in practicing the teachings. They forbid that. I asked why. We are all monks. Why couldn't we study the teachings together? I didn't agree with dividing the sects like this. Achan Upatchana said that is if I was going to do that, I had to return the "Thammayut" card.

I didn't see any problem with that. The card had nothing to do with being a monk. I agreed to return the card later on. I then requested a card from a Mahanikai temple. That was before I split away. We had to follow the rules. I established the Asoke religious office subordinate to Wat Nong Krathum. But after we had registered in accord with the regulations, they kept harassing us in various ways.

Initially, when I requested a card, there was no problem. The abbot of that temple gave me a Mahanikai card. I carried the card for 2 years. I practiced both the Thammayut and Mahanikai teachings. I never disrobed. But I was criticized. People said that I was not a monk. Later on, I returned the Thammayut card and carried only the one card.

Later on, I was harassed again. I realized that I wouldn't last since they were doing everything they could to harass me. For example, when my students went to take the "naktham" examinations, they prevented them from taking the examinations. Senior people acted like this. When we wanted to conduct an ordination, they prohibited Phra Upatchana from conducting the ordination. They told him that if he did, he would be disrobed. There was a lot of trouble.

Things were very difficult. Those were not the only things done, just the main ones. There were a whole host of trifling matters. Actually, I would rather forget about those things. Those are defilements. I think it's better to forget about those things. They were suffering, too. I couldn't work and so I discussed matters with other people and monks. And actually, my "khana" [residential group] was big enough to form a religious group.

When I told them that I was splitting away, there were still charges that what I was doing was wrong. Actually, we were ready. We had more than 20 monks, which was sufficient to form a khana. We did everything according to the Buddhist teachings. We did not do anything in violation of the Buddhist discipline. We announced this and returned the cards. The cards were not important. We split away and formed our own group. We have placed ourselves directly under the discipline of the Buddha.

There is a split today. People have different views on what the real truth is. As I explained above, I say what I think is the truth. They do the same thing. There is nothing to determine which side is right. Only time will tell.

[Question] The Department of Religious Affairs has said that it will take action against Santi Asoke. Has it taken any action?

[Answer] No one has ever conducted an investigation. There has just been talk about taking action and conducting an investigation. But no official has ever come here. People have just spread rumors.

[Question] What if they actually did take action?

[Answer] Fine. I would like to talk with them. Let them see if they can find anything wrong. I am confident in my beliefs. But no one has come. They have just done things behind my back.

[Question] If they treat you nicely, will you do what they want?

[Answer] Let's not talk about what they want. The truth is what is important. What is good, what is real and what is right, those are the things that have to be discussed. You can't follow people. If you follow someone who is wrong, who does not know the truth, things will just become worse. The dharma is the dharma. The truth is the truth.

[Question] At present, about how many people follow the teachings of Santi Asoke?

[Answer] We don't think about that. We have never thought about gaining a large following. Our duty is to bring forth the truth. We have never worried about this and that belonging to us. We have never thought about having many disciples. If they believe, they can practice the teaching. Some call themselves members of Santi Asoke. That is fine with me. If they want to develop, we teach them. We don't count the number. We have never compiled statistics, and we don't intend to start. That isn't necessary. Our only duty is to spread the truth. Whoever wants to learn is free to come. If they don't, that is their right.

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CSO: 4207/91

LETTER SCORES POOR TREATMENT OF MUSLIMS IN SOUTH

Bangkok WIWAT in Thai 25 Nov-2 Dec 85 pp 4, 5

[Letters column: "A Cry From Thai Muslims"]

[Text] 6 November 1985

To: The editor of ATHIT-WIWAT

I would like to ask you to print my letter in your magazine.

"The despicable 'khaek' with their spirit religion." That is how one police officer, an official of the state, talks. He is the ... at the Satun provincial police station in Khuan Kalong District. His name is .... Actually, I don't want to reveal his name, but because of certain deep feelings, I have to. I live in Pattani Province. I have received letters from Muslim villagers in Khuan Don who are very distraught. A group of Muslims became upset when the principal at the Khuan Don school allowed a Buddha image to be set up at the school, where most of the students are Muslims. That was the reason for those "sweet" words. If he really did say that, that is shameful for a person of his position, a state official who is well educated. It is my understanding that all officials sent to work in the five southern provinces must take a special seminar. This is because the customs, traditions, religion and living conditions here are different. The religious problem is a very delicate problem that has given rise to other problems. Most of the problems that arise have to do with religion. Thus, if the officials sent here are not realy well informed, conflicts will arise. You have probably heard it said that the south is no longer calm."

I mentioned the statement by that police officer in order to give an example to administrative officials who are sincere about trying to solve the problems. If possible, I would like the police officer mentioned above to show a manly spirit and explain his actions through the mass media. At the least, he should say something to show that he is a police officer who has been trained and who has the trust of the Police Department and that he is worthy of being supported by the people's taxes. He should not show such as aggressive attitude or reveal his disposition like that again.

The possibility of a split developing between the Thai Muslims and Thai Buddhists is quite great at the moment. Such a split can be caused by actions, words and ideas that become policy. For example:

1. A Buddha image, which is a sacred object for Thai Buddhists, was set up at a school where most of the students are Muslims. This led to a reaction by villagers in Khuan Don Branch District as was reported in the 28 October 1985 edition of MATICHON.

2. People's names were changed from the Yawi to the Thai language and new-born infants have to be given Thai names in order to facilitate contacting officials. Otherwise, people may have problems conducting business with officials, as happened to villagers in Ban Nang Sata District, Yala Province.

3. The names of local places have been changed and given Thai names. This has upset people and generated a reaction, as happened in Muang District, Pattani Province.

All of these things have created problems. Thai Muslims feel that they are being oppressed and trampled on. But looking at the things that officials have done, I feel that this is more a matter of their looking down on the Muslims. Officials just want things to be "sweet and convenient." But they don't consider whether their actions might upset the people. The Muslims are not stupid as some might think. That is a policy of "devouring a nation."

Wansaman Pattani

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CSO: 4207/94

PALACE HANDLES PHOUMI NOSAVAN CREMATION; LPDR APPROACHED

Bangkok NAEO NA in Thai 17 Nov 85 pp 1, 3

[Unattributed report: "Laos Has No Feelings; Phoumi Cremated Today"]

[Text]Gen Phoumi Nosavan, the former deputy prime minister of Laos who died recently, will be cremated by the palace. His body will be placed in an octagonal casket and cremated on the afternoon of 17 November. His children want to return his ashes to Savannakhet, his birthplace. Cpt Kun Worarat, the personal secretary to the former Lao leader, talked with NAEO NA about this on Saturday.

Last week, several former Lao leaders and right-wing politicians living abroad sent condolences to the relatives of Gen Phoumi. Some sent representatives to lay wreathes. Vientiane remained silent.

Cpt Kun said that the Bureau of the Royal Household announced the details about the cremation ceremony on 13 or 14 November. It announced that the cremation would take place at 1700 hours on 17 November at Wat Thepsirin. The body of Gen Phoumi will be placed in an octagonal casket, which is reserved for lords.

The personal secretary to Gen Phoumi said that the relatives of the former Lao leader want to place his ashes in the family pagoda in Savannakhet City, his birthplace, which is located in southern Laos. But they do not know whether the Lao communist officials will give them permission.

The leaders in Vientiane have not expressed any grief at his death, and they have not said whether they will allow relatives in Savannakhet and Vientiane to travel to Thailand to attend the funeral. The family of Gen Phoumi made an appeal to the Lao embassy in Thailand after his death on 3 November at the Rok Suang Ok Hospital in Nonthaburi.

Mr Phoumno Nosavan, the son of the former Lao leader, talked with NAEO NA by telephone and said that several former right-wing and neutralist Lao leaders had sent letters expressing condolences at the death of his father. A letter from Gen Vang Pao arrived from the United States on the 9th. Letters from Cpt Kong and Phya In Paeng arrived from Paris on the 10 and 11th.

Mr Phoumno said that besides the fact that they are far away, these former Lao leaders and politicians have other problems that will probably prevent them from attending his father's funeral.

However, Cpt Kun said that even though these former leaders and politicians will be not able to attend the funeral in person, several of these people have sent representatives to lay wreathes.

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THAILAND

OFFICIAL REACTIONS MUTED OVER END TO TEXTILE EMBARGO

Bangkok LAK THAI in Thai 21 Nov 85 p 25

[Unattributed report: "Thai Textiles Flow to the United States, Who Won?"]

[Excerpts] Textile financiers sent workers to stage demonstrations in front of the U.S. embassy, the government was pressured to send people to negotiate with the United States and the mass media attacked U.S. protectionism for more than 3 months. Because of this, the United States had to send groups of senior officials to Thailand and other countries in Southeast Asia. And finally, on 11 November, Air Chief Marshal Sitthi Sawetsila, the minister of foreign affairs, proudly informed the mass media that the United States had ended its embargo on Thai ready-made clothing. This problem arose several months ago when the United States charged that Thailand had exceeded the quota agreed on.

Mr Trairong Suwannakhiri, the spokesman for the Office of the Prime Minister, announced the results of the Council of Economic Ministers held at the Government House on 11 November. He said that the negotiations with the United States had produced three important agreements:

First, the United States agreed to lift the trade embargo on 8 October 1985. Thai textiles can now be exported to the United States as usual. The Thai goods that have been held at U.S. customs points on charges that goods were exported in excess of the quotas will be released.

Second, the amounts that Thailand exported in excess of the quota during the previous 2 years will be averaged as part of the quotas for 1986, 1987 and 1988. This will reduce the effect on the Thai textile industry.

Third, even though the new agreement will cut quotas for cotton garments, cotton sports clothes, nightwear and shirts made of synthetic material and wool by about 9.3 million square yards, the quotas for other types of goods will be increased by a total of approximately 18.6 million square yards.

However, Mr Koson Krairuk, the minister of commerce, did not seem very pleased with the negotiations. He said that the lifting of the embargo means that Thailand will have to take responsibility for the 18.6 million square yards of goods exported in excess of the quota in 1984 and the 4.2 million square yards of goods that were on their way to the United States after the embargo went into effect. Altogether, Thailand exported approximately 23 million square yards of goods in excess of the quota. The United States has stipulated that this excess be averaged over the next 3 years, which means that Thailand's quota will not be cut just one year.

Mr Koson said that the United States has set the quota on Thai nightwear based on Schedule 651 at 31,500 dozen. And the United States does not have to show at what level imports affect the United States. Because of this, Thailand's 1986 quota is actually lower by 14,777 dozen. For the 3 years combined, Thailand's quota is lower by 48,638 dozen. Besides this, Thailand has agreed to reduce its quotas on 4 other items: cotton garments, 74,557 dozen; cotton sports clothes, 1,120,038 dozen; shirts made of synthetic materials, 2,190,824 dozen; and woolen clothes, 8,588 dozen. The original agreement did not set any quotas on these items unless there were specific agreements. "They were afraid that we would export large quantities and so they set limits," said Mr Koson.

Viewed directly, the lifting of the embargo on Thai ready-made clothing seems like a victory for Thailand. And it seems that this will revive Thailand's depressed textile industry. But looked at indirectly, Thailand actually gained very little because almost all the textile financiers in Thailand are foreigners who have invested in Thailand. This includes Chinese, Japanese, Taiwanese, Koreans and even Americans. As for the figure showing that 500,000 Thai would lose their jobs, that is just a smokescreen. What must be understood is that the embargo and the Jenkins Bill are two different things.

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THAILAND

BRIEFS

UPGRADE OF SPECIAL WARFARE COMMAND--The Special Warfare Command, which is commanded by Lt Gen Sunthon Khongsomphong, or "Big Chot," is the equivalent of an army area. At present, it has only two deputy commanders; that is, Maj Gen Sanan Sawetserani and Maj Gen Thonphon Punyopatsatham. Maj Gen Sanyawit Sirimonthon is the chief of staff. The unit needs one more deputy commander, a general's slot, in order to have the same number of deputy commanders as an army area. The army has taken steps to fill this position in the near future. A news source said that it still isn't clear who will be given this position. But it is thought that the person will come from within the unit. Some feel that the position will go to Maj Gen Sanyawit Sirimonthon, or Phi Aet, and that a new person will take over as chief of staff. Another news source feels that Maj Gen Khachon Ramanwong, the commander of the 2d Special Forces Division, will be appointed deputy commander of the unit and that a new person will be appointed commander of the 2d Special Forces Division. This news source said that if Maj Gen Khachon Ramanwong is appointed deputy commander of the Special Warfare Command, the person appointed commander of the 2d Special Forces Division will a former paratrooper, that is, Col Charun Phunsanong, the deputy commander of the 9th Infantry Division in Kanchanaburi. That's what the news source said. [Text] [Bangkok LAK THAI in Thai 28 Nov 85 p 7] 11943

CSO: 4207/94

PEOPLE'S REPUBLIC OF KAMPUCHEA

ARMY EMULATION ACHIEVEMENTS OF EASTERN ZONE CITED

BK121419 Phnom Penh Domestic Service in Cambodian 1200 GMT 6 Dec 85

[Text] In an atmosphere of enthusiasm with which our armed forces throughout the country are accelerating the emulation to create feats and sum up emulation achievements of the past 3 years, on the morning of 25 November the military command of the 2d Region held a meeting to sum up emulation achievements of the eastern zone from 1983 to 1985. The meeting was a great success.

Attending in the presidium of the meeting were, among others, Comrade Hun Neng, alternate member of the party Central Committee, provincial party committee secretary, and chairman of the people's revolutionary committee of Kompong Cham Province; Comrade Chieng Sm, deputy chief of the General Political Department and vice chairman of the National Defense Ministry's Emulation Council; Comrade (Kon Kan), deputy chief of the General Logistics Department, and several regional military commanders of the whole zone. A large number of representatives of outstanding units and of various provinces of the eastern zone also attended the meeting.

The participants heard report summing up emulation efforts made in the past 3 years in the eastern zone read by Comrade Top Sarom, deputy commander of the 3d Military Region, who stressed that through this 3-year emulation period many outstanding units and individuals were named. For example, the armed forces of Kompong Cham Province were recognized by other units of the eastern zone as the most outstanding unit in the emulation campaign of the zone. This powerfully contributed to the daily development of the emulation efforts. More outstanding units and individuals have come to the fore to join with the general masses in creating combined forces through new formulas and in the advance toward mastering the tasks under their responsibility.

The participants also heard special reports by outstanding units and individuals, such as the armed forces of Kompong Cham Province, the training school, and several communes.

Speaking on this occasion Chieng Am applauded units and individuals making great achievements in combat and in byilding strong local administration.

He urged all present that in the coming years they must further expand their feats in emulation to deserve the trust of the National Defense Ministry and especially must frequently sum up emulation work to keep it close to the other construction and combat duty of our revolutionary armed forces.

The meeting ended after unanimously selecting the Kompong Cham provincial armed forces to receive the progressive banner of the Council of Ministers for the zone's 3-year emulation campaign.

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CSO: 4212/35

PEOPLE'S REPUBLIC OF KAMPUCHEA

REPORT ON AGRICULTURAL DEVELOPMENTS 2-15 DEC

BK171017 [Editorial Report] Cambodian media monitored by Bangkok Bureau carried the following reports on agricultural developments in Cambodia during the reporting period 2-15 December:

Prey Veng Province: Phnom Penh Domestic Service in Cambodian at 0430 GMT on 3 December reports that during the first half of November, peasants in this province tilled and sowed almost 500 hectares of various types of rice and transplanted more than 2,200 hectares of floating rice. The radio at 1300 GMT on 11 December adds that by early December, peasants in Prey Veng District, Prey Veng Province, had broadcast and transplanted more than 25,300 hectares of rice of all types of which 1,200 hectares were damaged by drought. They also planted nearly 700 hectares of flood-receding rice and reclaimed more than 400 hectares of land. Phnom Penh SPK in French at 0458 GMT on 5 December states that in November, fishermen in Prey Veng Province caught 200 metric tons of fish. They plan to catch 2,500 metric tons of fish and 100 metric tons of prawn during this fishing season. In 1984-85, fishermen of this province caught 2,086 metric tons of fish. They produced 5 metric tons of dried fish, 2 metric tons of smoked fish, and 20 metric tons of fermented fish. According to SPK in the same cast, since the beginning of this year, the provincial veterinary service has vaccinated more than 22,000 heads of oxen, 15,690 heads of buffalo, and 1,620 pigs against various diseases. At present, there are nearly 200,000 heads of cattle and 135,070 pigs. SPK adds: In November, peasants in Baphnum District, Prey Veng Province, sowed 20 hectares of rice and transplanted nearly 100 hectares of rice.

Koh Kong Province: Phnom Penh Domestic Service in Cambodian at 0430 GMT on 3 December reports that fishermen in the province caught more than 2,200 metric tons of fish, 253 metric tons of crab, and produced more than 18,000 liters of fish sauce during the first 9 months of this year. The radio at 0430 GMT on 5 December adds that during the first 9 months of this year, the forestry service of Koh Kong Province produced more than 22,400 cubic meters of logs, more than 1,000 cubic meters of sawn logs, 650 metric tons of charcoal, and 14,400 cubic meters of firewood.

Kompong Cham Province: According to Phnom Penh radio at 1300 GMT on 4 December, the trade service in Kroch Chhma District, Kompong Cham Province, last rainy season bought more than 500 metric tons of agricultural products from local peasants, including more than 250 metric tons of corn. The radio at 0430 GMT on 6 December notes that the trade service in Memot District, Kompong Cham Province, recently bought more than 2 metric tons of paddy from the people. At 1300 GMT on 6 December the radio adds that by 17 November, the trade service in Kompong Siem District, Kompong Cham Province, had bought more than 450 metric tons of agricultural products from peasants, including more than 200 metric tons of sesame, almost 10 metric tons of corn, over 200 metric tons of kapok, and almost 20 metric tons of soybean. Phnom Penh SPK in French at 0415 GMT on 9 December reports that at the end of October, peasants of Memot District harvested 4,037 hectares of rice with an average yield of 3 metric tons per hectare. During the same period, people in this district exploited more than 200 cubic meters of logs. The same SPK French cast adds that since the beginning of this year, workers at rubber plantation Memot of Kompong Cham Province have produced 14,243,200 liters of latex.

Kompong Chhnang Province: Phnom Penh radio at 1300 GMT on 4 December says that so far, peasants in Kompong Leng District, Kompong Chhnang Province, have planted more than 5,300 hectares of various types of rice, 870 hectares of subsidiary crops, and more than 20 hectares of industrial crops.

Siem Reap-Oddar Meanchey Province: Phnom Penh SPK in French at 0441 GMT on 14 December reports that by mid-November, peasants in this province have harvested nearly 6,100 hectares of rice. Last rainy season, they planted 151,200 hectares of rice and 4,900 hectares of subsidiary and industrial crops. Phnom Penh Domestic Service in Cambodian at 1100 GMT on 4 December adds that by 15 November, peasants in Puok District, Siem Reap-Oddar Meanchey Province, had harvested 950 hectares of rice and more than 40 hectares of subsidiary crops.

Kompong Speu Province: The radio at 2300 GMT on 4 December says that veterinarians in Kompong Speu Province vaccinated more than 48,900 cattle against various diseases. The radio at 1300 GMT on 13 December adds that by early December, peasants in the province had put 500 hectares under rice and more than 470 hectares under vegetables and other food crops.

Kandal Province: Phnom Penh Domestic Service in Cambodian at 1300 GMT on 5 December notes that during the first 9 months of this year, the trade service in Kandal Province bought more than 2,500 metric tons of paddy, more than 75 metric tons of sesame, 558 metric tons of tobacco leaves, 200 metric tons of pigs, and almost 400 metric tons of palm sugar from the people. Phnom Penh radio at 1300 GMT on 10 December says that nearly 60,000 head of cattle were vaccinated against foot-and-mouth disease and 100,000 head of cattle against other epizootic diseases in Kandal Province. The radio at 1300 GMT on 9 December reports that in 1985-86 fishing season, fishermen in Lvea Em District plan to catch 600 metric tons of fish and produced more than 250 metric tons of dried, smoked, and fermented fish and 30,000 liters of fish sauce. At 0430 GMT on 10 December the radio adds so far this season, fishermen in this district have caught more than 51 metric tons. The domestic service at 0430 GMT on 11 December notes that so far fishermen in S'ang District have caught over 820 metric tons of fish or 500 metric tons more than the amount in the same period last year. The radio at 0430 GMT on 12 December adds that the trade service in S'ang District bought almost 140 metric tons of paddy from peasants. Phnom Penh SPK in English at 1109 GMT on 10 December reports that in the first 9 days of November, peasants in Ponhea Loe District plowed 100 hectares of land, raised seedlings on 54 hectares, and planted 45 hectares of the IR-36 variety. Phnom Penh SPK in French at 0441 GMT on 14 December says that by the beginning of December, peasants in Kandal Stoeng District had transplanted more than 250 hectares of rice and sowed more than 41 hectares of rice.

Svay Rieng Province: Phnom Penh Domestic Service in Cambodian at 2300 GMT on 11 December reports that peasants in Svay Rieng District, Svay Rieng Province, put 33,000 hectares of land under cultivation out of the planned 37,000 hectares. By the end of November, 6,000 hectares of early rice had been harvested with an average yield of more than 1 metric ton per hectare for local rice strain and 2 metric tons for IR-36 strain.

Kompong Thom Province: Phnom Penh SPK in French at 0441 GMT on 14 December reports that at the beginning of this dry season, peasants in the province had transplanted 132 hectares of rice. Up to now, they had harvested more than 7,100 hectares of rice planted in last rainy season. They had also built 13 embankments totaling 300 meters of length and dug 1.5 km of irrigation canals. Phnom Penh Domestic Service in Cambodian at 0430 GMT on 13 December notes that during last rainy season, peasants in Santuk District, Kompong Thom Province, planted 12,000 hectares of rice or 70 percent of the plan and more than 400 hectares of short-term subsidiary crops.

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PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

KPRAF SUCCESSES NOTED--In cooperation with the Vietnamese volunteer troops, our KPRAF conducting sweep operations against the enemy along the Cambodian-Thai border and in the remote regions last week put out of action some 300 enemy soldiers from various factions, killing 173 and wounding or forcing to surrender more than 100 others. We seized 101 assorted weapons, 2 metric tons of ammunition, 2 walkie-talkies, 43 mines destined against communication roads, and a large quantity of war materiel. It should be noted that our armed forces and militia units conducted six unassisted sweep operations during that period, putting out of action 145 enemy soldiers. [Excerpt] [Phnom Penh Domestic Service in Cambodian 1200 GMT 12 Dec 85 BK] /6662

CSO: 4212/35

MILITARY AFFAIRS AND PUBLIC SECURITY

IMPROVED MILITARY WORK IN ORGANS, ENTERPRISES URGED

Hanoi QUAN DOI NHAN DAN in Vietnamese 7 Oct 85 pp 1, 4

Editorial: "Do a Good Job of Carrying Out the Military Work in Organs and Enterprises"]

[Text] With the implementation of the Party's military line, in recent years the military work in the sectors and the state organs and enterprises has been promoted. Representative of that movement is the Geology General Department, which was recently praised by the Council of Ministers for building reserve mobilization forces, and was awarded a scroll by the Ministry of National Defense which stated: "The Geology General Department builds strong self-defense forces, maintains combat-readiness and fights victoriously."

But in addition to the sectors and units which do a good job, there are still some sectors and bases which, because of inadequate awareness of the plots of the enemy and of their mission to consolidate national defense, have not closely combined economic construction with the consolidation of national defense or carried out many aspects of the military work well.

The military work in the sectors and the state enterprises and organs is a very important part of the fulfillment of the Party's military mission and is intimately related to the consolidation of national defense. To meet the requirements of the present situation and missions, while at the same time putting the military work onto the right track, the experience of the geology General Department and a number of sectors show that first of all it is necessary to enable all sectors and echelons, especially the key cadres--to fully understand that the Party's two strategic missions--building socialism and defending the socialist Fatherland--must go hand-in-hand. That is the key to enabling the military work to be carried out well in all sectors, spheres, and units of the state. The basic units of the state must also, on the basis of fully understanding the Party's strategic missions, endeavor to do a good job of fulfilling the specific missions of the military work, such as building self-defense forces, building reserve mobilization forces, drafting youths, applying civil defense measures, and combining the economy with national defense and national defense with the economy.

The self-defense forces and armed forces of the organs and enterprises are workers and civil servants. Those forces account for an important part of the total number of militia and self-defense forces in the nation and are steadily increasing. Along with the militia forces, the self-defense forces play an important strategic role in the great undertaking of building the armed forces and consolidating our country's national defense. Therefore, it is necessary to enable the self-defense forces to fully understand the situation and missions, increase their revolutionary vigilance and fighting will, have strong organization, and be trained to raise their military level, have tight troop management, and always have a high degree of combat readiness under all circumstances. In the present situation, the self-defense forces of the basic state units must be exemplary in fully implementing the patrol and guard systems, and whenever necessary, in such strategic areas as the border areas, the island, the large industrial areas, etc., the organization of command alert and combat alert systems according to the stipulations of the local military organs, unite closely with the other armed forces, and do a good job of fulfilling the mission of maintaining security and order at each base.

The state bases are places where increasingly larger numbers of cadres and technical workers needed for national defense. Therefore, it is necessary to pay attention to doing a good job of military registration, building reserve forces, doing a good job of implementing the Military Obligation Law, fulfilling the annual military draft norms, attaining the full numbers with high quality, in correct accordance with the policies and by the deadline, meet the requirements, and provide outstanding workers and civil servants for the army. In each basic unit, depending on their strengths and trades and on the national defense needs, must build reserve forces and prepare plans to appropriately mobilize industrial capacity and go all-out to utilize all existing capabilities, while at the same time being concerned with making good preparations with regard to ideology, organization, physical training, and military knowledge in order to mobilize rapidly and join in the fighting immediately.

While carrying out economic and social development, the basic units of the state must pay all-out attention to combining it with the requirement of consolidating national defense, to combining production with training and forging a military way of life, to maintaining security and order and protecting production, and to maintaining combat readiness and fighting well. On the basis of the long-range and short-range national plans, plans must be drafted for each sector. Those plans must not only include economic and cultural strategies but also clearly indicate the directions, contents, and methods of combining them with the requirements of national defense strategy.

In order to help the heads of sectors study, and guide, monitor, and direct the fulfillment of, the military missions, it is necessary to perfect the organization of the leadership and guidance of the military work at all echelons, especially by the sectors directly related to national defense. The military organ of a sector is directly guided by the head of that sector. The cadres of the military organs of all sectors who are assigned by the Ministry of National Defense or appointed by the sector must have enthusiasm, a strong sense of responsibility, have specialized ability in each aspect, unite and coordinate closely with the specialized organs in the sector and in the other relevant sectors, and fulfill the missions of serving as a staff for the sector head with regard to the military and mobilization tasks and combining the economy with national defense and national defense with the economy.

5616
CSO: 4209/116

INTERNATIONAL RELATIONS, TRADE AND AID

HANOI REVIEWS DEVELOPMENTS AFTER U.S.-USSR SUMMIT

BK191513 Hanoi International Service in English 1100 GMT 19 Dec 85

[Text] A month has passed since the Soviet-U.S. summit closed in Geneva. Since then, both sides have taken different deeds which demonstrated the different stands toward the improvement of the world political atmosphere. Here is our review of the situation:

What the world people wanted from the Soviet-U.S. summit is an agreement on disarmament and removal of a nuclear war danger. This is also question of primary concern by the Soviet state and the noble goal of the Soviet people's struggle. Since the summit, the Soviet Union has always been in the van in disarmament. On 12 December Soviet Party General Secretary Mikhail Gorbachev declared that the Soviet Union has completed the dismantlement of the SS-20 missile launching pad. Earlier, at the opening session of the Supreme Soviet, the Soviet Union has decided to maintain the military spending in 1986 at the level of 1985. These are acts of goodwill which demonstrated the Soviet Union's unchanged stand. This stems from the Soviet Union's foreign policy of peace and its high responsibility toward world peace and security.

It is necessary to note that these two decisions, which were made immediately after the Geneva summit, have helped promote the process of easing the world tension and laying ground for further important steps in the talks of nuclear arms limitation in Geneva. Besides, on 10 December the Soviet Union received 400 American businessmen who came for a visit and for discussion on cooperation. This is another Soviet effort to improve Soviet-U.S. relations in the spirit of the joint declaration issued at the Geneva summit and further strengthen their scientific and technical cooperation. This spells out that the two states of different political systems can peacefully coexist.

The Soviet Party General Secretary Mikhail Gorbachev once stated: The peaceful coexistence is an art which should be grasped while everything reached its [word indistinct]. It is regretable that the U.S. has taken deeds quite contrary to the Soviet efforts. Immediately after the summit, the Pentagon declared that it would not renounce the experiment to carry out its SDI program, how costly it may be. Washington not only stepped up the SDI program, but also urged its allies to joint this dangerous gamble. Observers said the SDI program may cost the United States $3,000 billion. The UN, in a resolution, called for a worldwide movement to boycott the SDI program.

Meanwhile, the U.S. continues the deployment of its missiles in Western Europe and other places. The Canadian Defense Ministry has disclosed that the U.S. has signed with Canada eight documents on nuclear cooperation, including the deployment of U.S. long-range missiles in Canada.

It is too fresh in people's minds that before the Geneva summit U.S. President Reagan had made a hue and cry about regional questions and tried to make the world public to believe that the U.S. is the defender of regional security. However, the U.S. deeds do not match its words. In early December U.S. henchmen, with U.S. missiles, shot down a Nicaraguan helicopter. Taking pretext that Nicaragua has threatened the U.S., Washington has feverishly supplied up-to-date war means, such as ground-to-air missiles, to the Nicaraguan counterrevolutionaries. The shooting down of the Nicaraguan helicopter is the direct outcome of the U.S. policy of interference in Nicaraguan internal affairs. Besides, there are many other acts revealing the U.S. moves and acts to oppose independent states in Central America.

It is estimated that the U.S. spends about $2 billion annually for anti-Nicaraguan activities. The U.S. has also stepped up its arms supplies to Nicaragua's neighbors to form a belt and staging bases for the rebels to oppose Nicaraguan revolution. Western sources said in 1986 the U.S. will give Costa Rica $2 million to strengthen the latter's police force and send to Hondurus more planes and lorries.

The development last month further proved who advocates and preserves peace and who is feverishly stepping up the arms race, especially the nuclear one, aggravating world tension.

/9738
CSO: 4200/427

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

OUTGOING AUSTRALIAN ENVOY--Hanoi, 18 Dec (VNA)--Ambassador Extraordinary and Plenipotentiary to Vietnam Richard Philip Broinowski today paid a farewell visit to Chairman of the Council of Ministers Pham Van Dong before leaving for home for a new mission. Chairman Pham Van Dong had a cordial talk with the Australian diplomat. [Text] [Hanoi VNA in English 0841 GMT 19 Dec 85 OW] /9738

NICARAGUAN YOUTH UNION DELEGATION--Hanoi, 19 Dec (VNA)--A delegation of the "July 19" Sandinista Youth Union of Nicaragua led by Raul Valdivia, member of the Union Central Committee in charge of the youth in the security force, today concluded its visit since 7 December. The delegation was received by Vu Mao, member of the Communist Party of Vietnam Central Committee and first secretary of the Ho Chi Minh Communist Youth Union. It called at a number of youth union organizations of the Vietnam People's Army and toured several provinces, including Tay Ninh in the south and Lang Son in the north. At a press conference held before its departure, the delegation talked about the activities of the Nicaraguan youth and expressed solidarity and friendship with the Vietnamese people and youth. [Text] [Hanoi VNA in English 1515 GMT 19 Dec 85 OW] /9738

CSO: 4200/427

ECONOMIC PLANNING, TRADE AND FINANCE

HCM CITY COMMERCIAL SECTOR ENDEAVORS TO MASTER MARKET

Hanoi QUAN DOI NHAN DAN in Vietnamese 8 Oct 85 p 3

[Article by Tran Hoang: "Ho Chi Minh City Commercial Sector Positively Controls Goods, Expands Retail Selling, Maintains Strict Price Discipline"]

[Text] In recent days the market in Ho Chi Minh City has undergone a number of complicated changes. Speculators ad dishonest merchants have spread false rumors and upset the market in hopes of impeding the positive transformation in the spirit of Resolution 8. In view of that situation, along with the sectors and echelons, the commercial sector has deployed a "battlefield position" to take many positive steps to master the market.

Positively Controlling Goods, Expanding the Retail Network

Only if there are goods can there be a market, and only if one controls many goods can one master the market. That is an evident and strict truth! Ho chi Minh City has a strength with regard to manufactured goods, but it has too few agricultural products and food products,while the consumer market for those products in large. Because of the limited capabilities of the central echelon to distribute and allocate goods, the municipal commercial sector took the initiative in organizing alliances and joint operations, and the exchange of goods with the provinces and municipalities throughout the nation. In order to expand alliances and joint operations it is necessary to have increasingly large numbers of manufactured products. The commercial sector established close relations with the industrial and small industry sectors, and positively affect production, while at the same time expanding the state purchasing network and controlling the local sources of goods to a high degree. It is estimated that in 1985 the total value of goods purchased will amount to nearly 700 million dong (new money), an increase of about 10 percent over 1984. In order to ensure that the stores, marketing cooperatives, and state purchasing stations and teams of the wards ad districts purchase effectively, the Commercial Service and the banking sector met 100 percent of the need for cash to purchase a number of essential goods. When so requested, the sector also invested directly in production to increase local sources of goods in the other provinces. In Hau Giang, the sector lent tens of millions of dong so that the province could invest in building a sugar mill and a river port.

From the beginning of the implementation of Resolution 8, in exchanging goods with the other provinces the sector made many positive improvements. From forcing the various places to exchange goods for goods, the sector advanced to exchanging goods based on foreign exchange, paying in cash, or paying with transfer payments. Because a number of intermediate links and troublesome procedures were eliminated, the approval of requests to ship goods from the city was facilitated and speeded up, was welcomed by the other provinces, and solidarity and mutual assistance were strengthened. In this month the sector has invested tens of millions of dong in capital construction and invested hundreds of millions of dong worth of goods to expand joint-operation stores in the other provinces. Some sources of fresh and live foods, such as fish, often undergo changes (when fish are plentiful all of them cannot be marketed, but when there are continuous changes fish are scarce). In order to overcome that situation and ensure that there are always enough goods to serve the people, the sector, along with the localities and the relevant sectors, organized processing and produced canned, frozen, and dried goods. The slaughter houses, pork processing plants, fish sauce plants, etc., of state commerce are continually being expanded and improved technically.

Since the beginning of the year the organized market has accounted for about 50 percent of the market in Ho Chi Minh City. From now until the end of the year state commerce and the marketing cooperatives have endeavored to sell about 70 percent of the goods circulated on the market. The sector is endeavoring to attain higher rations with regard to some other goods: pork, 97 percent; cooking fuel, 80 percent; greens, 60 percent; sugar, 80 percent, soap powder, dipping sauce, etc., and, along with the grain corporation, meet 100 percent of the city's rice needs. In order to meet that goal, while positively controlling goods, the sector has urgently improved the supplying of goods and expanded the retail network in accordance with the new commercial mode.

In addition to arranging for all cadres, workers, and civil servants to study Resolution 8, the commercial sector of Ho Chi Minh City disbanded the elements serving selling, supplying,and distribution, transferred many indirect workers to direct selling of goods, and opened nearly 1,000 additional selling locations with the goods necessary to serve the people. During the coming period the sector will endeavor to ensure that there is one retail food location for every 1,000 people. All-out attention has been paid to bringing socialist commerce into the markets. Between now and the end of the year state commerce will increase its market share from 40 percent to 70 percent. The sector will organize the state stores and the marketing cooperatives so that they can attain dominance in all concentrated population areas, and many organs, factories, enterprises, communications hubs, bus stations, etc. The store hours will be adjusted so that they can be appropriate to the requirements of consumers. Many places have applied the form of mobile selling. Implementing the policy of directly "taking goods to the front," the Commercial Service has eliminated red tape and stipulated that the intermediate corporations would not be discounted as in the past. When there is a need for goods the retail installations need only report their needs and the responsible corporations will send the goods directly or "shunt" goods directly from the sources. The installations are authorized to buy the goods they receive at guidance prices, but do not have to pay for them immediately, but only after receipt of the next shipment. Under those conditions, the retail network has developed rapidly and promptly received many goods to sell. The sector's retail forces have increased 40 percent over the second quarter of 1985. In Thu Duc District they doubled.

Resolutely Maintain Strict Price Discipline

The commercial sector of Ho Chi Minh City takes the view that taking the initiative with regard to prices not mean leaving the price system unchanged. Depending on the conditions, the prices of some goods may be reduced. But because of the inclusion of all expenses in production costs, the prices of some goods may increase. Therefore, to take the initiative with regard to prices is to maintain strict price discipline in a timely manner, in accordance with stipulations. In that regard, commodity funds play a decisive role, but other factors are also very important. The actual situation after the price supplements and money exchange in the city shows that some prices increase even if there is no scarcity of the goods. Therefore, the sector pays special attention to managing prices.

The struggle to control the market during the money exchange affirmed and further enriched the experience gained by the commercial sector in including price supplements in wages. Prior to the money exchange the sector had a large supply of goods, enough to meet all needs. In order to prevent "in advance" the situation of holding back goods while awaiting price increases and oppose speculation and the depletion of goods, the sector carried out inspections and inventories of all goods at stalls and in the store rooms of state stores, marketing cooperatives, and jointly operated corporation. Throughout the money exchange period the sector released goods in order to maintain prices. The selling locations closed only 4 hours a day. The marketing cooperatives arranged on-credit sales of essential goods to the working people. During and after the money exchange the entire retail system immediately change their prices from the old currency to the new currency. The sector organized inspections and strictly forbade the rounding-off of prices. The sector and the public security sector, severely dealt with people who deliberately violated price discipline. The prices of many products on the city's market have been essentially stabilized. The prices of some products,such as cigarettes, fish sauce, sugar, etc. increased because socialist commerce did not have sufficient goods to release on the market in time. Furthermore, the private merchants continued to take advantage of "openings" to speculate, increase prices, and created an artificial scarcity of goods.

Having gained experience in the money exchange, the sector is positively creating additional sources of goods, so that they are sufficient to supply the market and so that prices will not increase greatly when the new wages are implemented. On the basis of production costs and circulation expenses, the commercial sector drafted price guidelines, obtained the approval of the Price Commission, then announced the implementation of uniform prices throughout the city. With regard to jointly operated commercial cooperation stores, the Commercial Service stipulated that private individuals cannot directly purchase goods, but can only find sources of goods to sell to the corporations or so that the store managers can purchase them, in order to ensure rational selling prices (because selling prices are always tied in with selling prices). At the markets the retail sellers must register prices, which they may post only after they are approved by the price management committee. In order to maintain strict discipline vis-a-vis the stipulated prices, the commercial sector has coordinated closely with the market management committee, the public security and tax organs, and the workers, inspection teams to continually inspect and oversee prices at all state, collective, and private locations. In September 1985 penalties were imposed in more than 2,000 violations of price discipline, including some people who were prosecuted. The working people especially applauded the court's severe punishing of dishonest merchants and price increasers. Everyone regarded that as a specific, practical manifestation of the socialist legal system for the well-being and happiness of the people. The movement for "everyone to participate in market management" launched by the municipal Party committee and the Municipal People's committee is receiving strong response. If everyone is determined to only buy goods within the published price guidelines of the commercial sector and prices posted in accordance with regulations, it will be difficult for anyone to violate price discipline.

5616
CSO: 4209/116

ARMED FORCES SAID TO PLAY ROLE IN MARKET MANAGEMENT

Hanoi QUAN DOI NHAN DAN in Vietnamese 7 Oct 85 p 3

[Article by Viet An: "Transform and Management Private Commerce"]

[Text] Our country still has many economic components and the private commercial forces still control many aspects of buying and selling goods on the social market. At a time when socialist commerce (state stores and marketing cooperatives) are not yet able to meet all needs of the consumption and circulation of goods, promoting the transformation, organization, use, management, and guidance of private commerce so that it operates within the socialist orbit and the management policy of the state is an important, urgent task in order to contribute to the victorious implementation of the resolution of the 8th Plenum of the Party Central Committee on prices, wages, and money. Private commerce includes many different components: commercial bourgeoisie who are not yet willing to truly transform themselves, dishonest merchants who speculate and engage in the black market, the large, medium,and small full-time merchants, and people who produce and market goods in the family economy. In recent years, in addition to the building of a nationwide socialist commercial network, the transformation and management of private commerce has received attention and has attained definite results, but they are not yet uniform, deep, or solid. The dishonest merchants and a number of the commercial bourgeoisie have evaded transformation and continue to take advantage of openings and weaknesses in economic management and in the activities of the socialist commercial sector. Along with the speculators and blackmarketers, they have upset the market and prices. Their interests are in opposition to those of the working people.

With regard to them, the policy of our state is very clear: resolutely eliminating the commercial bourgeoisie and changing them and their families over to the production of material wealth for society. The dishonest merchants, speculators, and blackmarketers who make their livings dishonestly must be dealt with resolutely. With regard to administrative measures, we have strengthened our organization of management, first of all in the state organs, in order to stop activities which assist or cover up for them, stepped inspections, and completely eliminated the gangs of blackmarketers and speculators.

With regard to people who registered to engage in commerce we applied many transformation forms which are appropriate to the present conditions, in order to use them to serve life and social production. A form of transformation that has good effect and has been widely disseminated in the southern provinces and municipalities is organizing commercial cooperation between the state and private merchants and regulated and managed by the state. At present, more than 8,000 businessmen in the south have entered commercial cooperatives (most of them in Ho Chi Minh City) and more than 700 stores have been set up with capital amounting to hundreds of millions of dong. A new commercial force has taken form on the social market. In their activities the jointly operated stores have begun to combine the interests of the state and the private merchants with those of the consumers. However, a problem that must be posed is paying attention to gradually strengthening the socialist nature of jointly operated commerce to gradually attain the goal of the socialist transformation of businessmen. At the same time, it is necessary to overcome the arbitrary use of private merchants in long-distance business that is not managed by the localities, which creates difficulties for market management.

Most of the small merchants are from the working class and a considerable number are members of families of workers, civil servants, or troops. Their buying and selling is only intended to increase the family income. With regard to such people, it is necessary to provide them employment, such as with marketing cooperatives, retail agencies, or goods sector teams, sign technical labor contracts with them, or provide them with employment with the small industry-handicrafts production trades.

At present, when we have begun to implement the price, wage, and money policies, the cadres, workers, civil servants, and popular masses are concerned over whether or not price stability and real wages can be maintained. At a time when socialist commerce accounts for only a little more than 60 percent of retail sales and about 60 percent of wholesale sales on the social market, and the lives of wage-earners are still dependent to a large degree on the free market, those fears are legitimate.

In order to ensure stable living conditions, a matter that is now more important than ever is tightly and strictly managing the free market. Everyone authorized to engage in commerce must fully observe the state regulations regarding the circulation of goods and market management, such as commercial registration, trade name registration, product quality, weighing and measuring, etc., the regulations regarding taxation, credit, and the service rules, the locations of selling locations and stalls, etc. Especially, they must maintain price discipline. The market management forces must coordinate closely and campaign extensively for cadres, workers, civil servants, and the people to support and struggle resolutely to enforce, the stipulations regarding prices, ensure market stability and the stabilization of living conditions, and create good conditions for production to undergo a transformation in accordance with the new policy of the Party and state regarding prices, wages, and money.

The results of the transformation and management of private commerce is closely related to the commercial activities of the socialist commercial forces. By bringing into play its leading role, the socialist market will contribute to transforming and managing private commerce. On the other hand, before the socialist commerce is sufficiently strong to master the private market, private merchants will have an opportunity to freely engage in unorganized commerce.

Therefore, while transforming private merchants a matter of foremost importance is rapidly building up increasingly larger and stronger socialist commercial forces. It is necessary to overcome the tendency to think that in comparison to the needs the state has too few goods and too little money to manage the market and prices, and cannot struggle effectively against the private merchants. The actual situation shows that whether there are many goods or few goods, and whether there is much money or little money, if socialist commerce rapidly grows and becomes stronger and undergoes a profound transformation with regard to its material bases, network, organization, cadres its commercial and social modes, etc., in the spirit of Resolution 8, it can do a better job of controlling goods and money, buy and sell effectively, and advance to mastering the market. During the recent period, in addition to expanding the catering and service networks state commerce has increased its retail locations and contributed importantly to struggling against the private merchants and stabilizing the market. The transformation and management of private merchants is one of the important market management tasks in which all responsible people must participate. Therefore, contributing to transforming and managing private commerce is a responsibility of the cadres and men of the armed forces. The units must step up their propaganda, proselytize the people in places where troops are stationed, be exemplary in observing the market management regulations, and absolutely refrain from unintentionally or unintentionally helping the dishonest merchants, speculators, or blackmarketers. Those are practical ways to contribute to attaining the goal set by our party and state of essentially completing the transformation of private industry and commerce by the end of this year.

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ECONOMIC PLANNING, TRADE AND FINANCE

SONG BE, THUAN HAI STRENGTHEN MARKET MANAGEMENT

Hanoi QUAN DOI NHAN DAN in Vietnamese 4 Oct 85 p 1

[VNA News Release: "Song Be and Thuan Hai Strengthen Market Management, Oppose Arbitrary Price Increases"]

[Text] Song Be Province has motivated the mass organizations to, along with the public security, financial, and banking forces, and the control units, strengthen market management and oppose the increasing of prices and the spreading of false rumors. At the city of Thu Dau Mot the market control units at the Binh Duong, Phu Hoa, Phu Tho, Phu Van, and Cay Dua markets inspected the posting of prices and the selling of goods at the posted prices.

Thanks to discoveries by the masses, the inspection teams strictly warned and submitted reports on 13 shop owners who illegally increased prices or dispersed goodsto peddlers to avoid taxes. Eighteen private merchants who strictly implementedthe stipulations were allowed to enter into joint operations with the marketing cooperatives and stores.

In addition to continuing to consolidate more than 100 stores and service locations, and marketing cooperatives, Tan Uyen district in Song Be Province organize 85 service, catering, tailoring, bicycle repair, barbering, and other shops, in the cooperatives and production collectives.

The Tan Ba cooperative, the district's trial unit, opened two commercial service stores which reached the income level of 38,000 dong per month.. The cooperative set aside part of its profits to build public welfare installations and material bases for the villages. The service stores sell goods at prices 10 to 15 percent lower than those on the free market prices, which both creates favorable conditions for the people and increases the income of the cooperatives by between 12.000 and 40,000 dong per month. The villages of Tan Ba, Khanh Binh, Hai Nghia, and Tan Phuoc Khanh have expanded the network of stores in the production collectives and operated them profitably, so they have both obtained income for cooperative members and obtained capital to invest in building or repairing 13 kilometers of roads, 2 bridges, and 480 square meters of schools, and dig two artesian wells.

The district is continuing to expand the activities of the locations selling food products, produce, and construction materials in the central areas and contributed to stabilizing market prices.

Immediately after the currency exchange the financial, banking, price, market management, and public security sector of Thuan Hai Province, in coordination with the economic sectors, guided and inspected the state retail stores and stalls, the private merchants, and the marketing cooperatives in posting prices and selling goods at the posted prices.

During the first phase, in inspecting 36 key economic bases and hundreds of state, collective, and private stores and stalls, the inspection teams uncovered many instances of speculation and price raising. The province stipulated that the state retail stores and stores, the marketing cooperatives, and the private merchants had to post prices and sell in accordance with the posted prices. The inspection teams uncovered 32 instances of speculating and black marketing, arrested 21 people who committed serious violations, and confiscated nearly 7 tons of goods valued at more than 2.5 million dong. A number of people who deliberately committed violations are being charged so that they can be prosecuted.

The province's grain and commercial sectors have opened many additional stalls and increased the supply of goods, especially the various kinds of essential consumer goods, to sell to the peasants, thus contributing importantly to stabilzing market prices. The provincial bank guided the district banks in giving priority to the production bases and the state purchasing units in order to have sufficient goods and concentrate goods in the hands of the state. Thanks to the resolution of the money problem, during the days of the money exchange alone the units purchased nearly 10,000 tons of maritime products and tens of thousands of tons of grain. On peak days Ham Thu District purchased 150 tons of fish, the most ever. Every day Ninh Phuoc District purchased between 300 and 350 tons of grain.

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ECONOMIC PLANNING, TRADE AND FINANCE

HANOI, THUAN HAI, LAM DONG STRENGTHEN MARKET MANAGEMENT

Hanoi NHAN DAN in Vietnamese 10 Oct 85 p 1

[Article: "Hanoi, Thuan Hai, and Lam Dong Strengthen Market and Price Management"]

[Text] The workers' management teams and market management teams of the municipality of Hanoi, coordinating closely with the public security and financial sectors of the precincts, districts, and cities, inspected 442 state commercial stalls and stores and 1,500 private merchants in 21 markets in and around the city. They dealt strictly and fairly with 1,500 incidents, including 198 instances of price increases, 189 instances of underweighing, and 18 instances of slipping goods to speculators and blackmarketers.

The inspection teams also discovered retail clerks at the Thong Phong, Cho Dua, 57 Kham Thien, Kim Lien, Thuong Dinh, Le Quy Don, Mo, and other food markets who underweighed goods (by an average of 10 to 30 grams per kilo) by such tricks as installing magnets, smearing asphalt, hanging steel screws, etc., under the scale weights, or removing the aluminum core from the weights. The inspections also uncovered a number of state retail store employees who brazenly and openly slipped tasty, high-quality goods to blackmarketers, such as at the Gia Lam and Nguyen Cong Tru food stalls and the grain stalls on Chien Thang B52 and Ngo Si Lien streets. Hai Ba Trung Ward broke up more than 10 incidents of speculation, hoarding, producing ersatz goods, and dealing illegally in goods managed by the state. In one case so much sugar, flour, and the other kinds of staples were stored in a house that eight cyclos were needed to take those goods to the state warehouse. Notable were two instances of speculating in and hoarding electrical goods and bicycle parts, by Ha Hoai Hien at No 2 Thinh Yen and Nguyen Thi Hai at 35 Thinh Yen. When Hien's house was searched there were found 68 electrical goods, from electrical wires, electric plugs, fuses, and electrical components to electrical meters, transformers, electrician's pliers, etc., valued at 20,000 dong (new money). Nguyen Thi Hai hoarded all kinds of bicycle parts, including hundreds of tires, hundreds of kilograms of spare parts, and nearly 100 Thang Long pumps.

The commercial tax sector of Thuan Hai Province increased the tax rates of 5,803 private merchants who registered to engage in commerce by an average of 17.5 percent, especially those in the restaurant sectors and class 1, 2, and 3 merchants. A number of private merchants who did business illegally and evaded taxes were discovered and forced to pay the full amount of taxes. The city of Phan Giang-Thap Cham adjusted the tax rates for 725 households, combined with the transformation of the cloth and restaurant sectors, and set up joint buying and selling teams, in order to have conditions for guiding them in doing business in accordance with the regulations and stipulations of the state regarding market management.

Since the beginning of August, in the municipality of Dalat (Lam Dong) more than 100 merchants doing business illegally have been discovered and brought to justice, and a number of commercial personnel who slipped high-quality goods to private merchants and upset the market were disciplined.

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CSO: 4209/106

AGRICULTURE

EFFORTS MADE TO MAKE UP FOR FLOOD LOSSES

Hanoi QUAN DOI NHAN DAN in Vietnamese 6 Oct 85 pp 1,4

[VNA News Release: "Localities Promote Winter Season Production To Make Up for Flood Losses"]

[Text] During this year's winter season Vinh Phu Province is going all out to plant between 12,000 and 15,000 hectares of winter crops, including nearly 11,000 hectares of subsidiary and grain crops (5,220 hectares of corn, 4,150 hectares of sweet potatoes, and 1,460 hectares of white potatoes) to increase the supply of grain to make up for losses in places heavily damaged by floods.

The districts of Vinh Loc, Tam Dao, and Phong Chau planted between 700 and 1,500 hectares of corn and are endeavoring to attain yields of 19 to 20 quintals per hectare. The districts of Lap Thach, Tam Thanh, Song Thao, Doan Hung, and Viet Tri have fully utilized the bottomland along the Da, Hong, Chau, and Lo rivers to plant 200 to 600 hectares of corn. The entire province is endeavoring to attain an output of more than 9,200 tons of winter corn to help resolve difficulties regarding grain. The provincial seed corporation sent to the districts more than 80 tons of seed corn, primarily 3-month corn, which produces a quick harvest.

The corporation also sent to the cooperatives more than 25 tons of soybeans, nearly all of them the V-74 variety, to plant on river bottomland. The districts of Vinh Loc and Tam Thanh were provided sufficient soybean seeds to plant on bottomland.

The Vinh Phu Seed Corporation supplied to the cooperatives, organs, schools, enterprises, and army units of vegetable seeds of all kinds, 2.6 tons of green beans, etc., for planting during the winter season. Many types of seeds were sent directly to the basic level so that the peasants could restore production after the floods.

The party committee echelons, governmental echelons, and mass organizations in five districts in the southern part of Ha Nam Ninh Province which were lightly flooded are mobilizing the units and people to help the people in 10 heavily flooded districts stabilize living conditions and production, especially to plant between 10,000 and 15,000 hectares of sweet potatoes and winter corn and between 12,000 and 15,000 hectares of vegetables and subsidiary food crops.

To contribute to helping those districts have 1,000 hectares of sweet potato haulms, the cooperatives inspected and protected the entire sweet potato haulm areas, fully utilized the land to plant additional sweet potatoes, and tend the seedstock plants. Many cooperatives in the five southern districts also encouraged all households to help the people in flooded areas by providing 10 kilograms of sweet potato haulms. Some schools encouraged and guided all students to contribute 40 sweet potato haulms to help the people in flooded areas.

In order to restrict to a minimum the damage caused by the rain and floods, the water conservancy sector of Thai Binh Province guided the irrigation corporations and stations draining the tributaries and lowering the buffer water, and cooperated with the districts in coordinating the opening of sluice gates to drain excess water and save the rice. When the flood water began to recede, in addition to opening two large sluices to drain water into the sea, the province opened more than 60 drainage sluices in the lower courses of the Red, Thai binh, and Tra Ly rivers. During the past several days the province has drained more than 15,000 hectares of rice in inundated low-lying areas and thousands of hectares in the downstream areas of Tien Hai, Kien Xuong, and Vu Thu districts.

Ha Bac Province is guiding the flooded areas in taking steps to ensure that nearly 30,000 water buffaloes and oxen have sufficient feed during the coming months.

In addition to guiding the cooperatives in the flooded areas in setting aside part of the reserve grain to raise draft water buffaloes and oxen the agricultural sector in Ha Bac guided the production bases in planting 5,000 hectares of feed crops, including 3,000 hectares of thick-planted corn and rice, for use as green fodder.

The districts of Tien Son, Que Vo, Yen Phong, Yen Dung, etc., guided the cooperatives with 10th month rice areas that were wiped out by the flooding in using rice planted in fields which escaped the flooding to obtain green shoots for use as animal feed. The districts of Gia Luong, Thuan Thanh, Tien Son, que Vo, Yen Phong, etc., fully utilized bottomland among rivers to thick-plant 1,000 hectares of corn. Many districts in the province have specific plans to interplant corn in sweet potato areas in order to process green corn stalks into feed for water buffaloes and oxen.

The districts and cities in the outskirts of Hanoi are shifting white potato seedstock from places with surpluses to places with shortages, while at the same time sending cadres to the cooperatives to provide technical guidance in propagating white potatoes by the method of separating the sprouts in order to resolve the situation of a shortage of seedstock for winter crops. Hanoi is going all-out to, between now and the end of November, to plant more than 5,000 hectares of winter white potatoes to make up for the 10th month rice output lost because of the floods.

In order to be on guard against later rain, many cooperatives in areas around the city have prepared ash, rice husks, and humus soil in order to plant white potatoes on wet ground. The districts of Gia Lam, Phuc Tho, Dan Phuong, and

Dong Anh are encouraging the cooperative members to set aside 6 to 10 tons of manure to fertilize the white potatoes. Many cooperative member households have also purchased additional nitrogenous, phosphate, and potash fertilizer to fertilize meet potatoes and attain high yields.

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AGRICULTURE

NHAN DAN URGES RESTORATION OF ANIMAL HUSBANDRY AFTER FLOODS

Hanoi NHAN DAN in Vietnamese 10 Oct 85 pp 1, 4

[Editorial: "Restore Animal Husbandry After the Floods"]

[Text] The foremost goal of animal husbandry is the production of increasingly larger amounts of food products for people, draft power for production, fertilizer for intensive cultivation, and products to meet the the other needs of the economy. Animal husbandry is tied in with cultivation and makes the results of cultivation as a conditions for production. At the same time, it creates conditions for intensive cultivation. Therefore, when nature causes difficulties for cultivation it at the same time causes difficulties for animal husbandry.

The recent floods caused animal husbandry in a number of areas to encounter major difficulties. Several hundred thousand hogs, more than 100,000 water buffaloes and cattle, and much poultry in the heavily flooded areasin the provinces of Ha Nam Ninh, Thanh Hoa, Hai Hung, Ha Bac, Ha Son Binh, Binh Tri Thien, etc., have insufficient, or no, feed and pens.

The restoration and development of livestock and poultry must be carried out urgently and calculated carefully in order to attain the greatest results in animal husbandry in the short range and in the long range. The localities must guide the people in the flooded areas in immediately taking the water buffaloes, cattle, and hogs to high and dry places, while also promptly providing the various kind of animal husbandry materials, veterinarians, and medicines to prevent and treat livestock and poultry diseases. The provinces affected by flooding must sell to the cooperatives and people engaged in animal husbandry mixed feed and bran, and provide them with seed corn and nitrogenous fertilizer so that the people can grow thick-planted corn. In low-lying areas they must guide the people in growing water commelina and propagating azolla to obtain feed for water buffaloes and oxen. The provinces of Ha Nam Ninh, Ha Bac, Hai Hung, etc., promptly adopted the policy of setting aside 200 to 240 square meters of land for each water buffalo or ox for growing thick-planted corn or subdidiary food crops in order to obtain feed to save the water buffaloes and oxen from starvation. That policy can be applied widely in many other localities.

The provinces and municipalities must assign specific plans to the districts not affected by flooding so that they can assign at least 80 percent of the 10th month rice straw for the water buffaloes and oxen, and set aside the necessary amount of straw to help the flooded places. They must make effective use of the 10 to 15 percent of the land set aside for animal husbandry, and contract out to cooperative members the growing of grass for water buffaloes and oxen and greens for hogs, in order to increase the supply of feed for livestock. In the mountain region it is necessary to organize rotational grazing on pastureland, and in the lowlands it is necessary to fully utilize grass on area and field dikes for grazing by water buffaloes and oxen. The production installations must set aside areas for the intensive cultivation of grassland to provide sufficient feed for water buffaloes and oxen, especially in the dry and cold season.

The agricultural areas need much draftpower for the winter season and succeeding seasons. Before beginning soil preparation the localities must balance their draft water buffaloes and oxen with the area that must be plowed and harrowed. If there is a shortage, steps must be taken to supplement the draft power by buying additional animals or distributing water buffaloes or oxen in the sphere of districts or perhaps in the sphere of provinces. Alliances must be formed among the mountain region, midlands, and lowland regions so that they can provide one another with draft power for production. Troublesome red tape involved in transporting water buffaloes and oxen from places with surpluses to places with shortages must be ended immediately in order to overcome the situation of some places having water buffaloes with no work to do while other places not having enough water buffaloes to do all the work.

We must take good care of water buffaloes and oxen and use them rationally so that they can have sufficient strength to work the soil during the cold season without collapsing. Therefore, it is necessary to ensure that water buffaloes and oxen have enough to eat and work within their limits, and effectively prevent and treat diseases. Water buffaloes and oxen must be categorized according to health and draft capability in order to have an appropriate system of care and work and gradually improve the quality of water buffaloes and oxen.

The maintenance and development of hogs, especially sows, in the flooded areas is every important. The agricultural sector and the relevant sectors must, along with the provinces and municipalities, fully and promptly meet the needs of the areas affected by natural disasters which cannot meet their own needs for feed and the necessary materials. At present the localities still have many meat hogs of marketing age but cannot market them. That bottleneck has restricted the rate of increase of hogs, feed is wasted, and animal husbandry is not profitable. The localities must urgently prepare money, goods, storage facilities, transportation facilities, etc., and quickly purchase hogs weighing more than 30 kilograms, give priority to purchasing in flooded areas, and create conditions for people engaged in animal husbandry to begin to raise additional pigs. Mass innoculations and the repairing and cleaning up of pens must also be carried out urgently in order to ensure safety for the livestock and poultry.

Rapidly overcoming the consequences of the floods, stabilizing the lives of the people, and restoring production are urgent tasks which demand concentrated guidance by the party committee echelons and governmental administrations and close coordination by the relevant sectors. By bringing into play the collective mastership spirit, manifesting consciousness of self-reliance, and helping one another, the people in the flooded areas can rapidly stabilize living conditions, stabilize production and contribute to developing animal husbandry.

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AGRICULTURE

POORLY MANAGED DRAFT ANIMALS DIE DURING WINTER

Hanoi NHAN DAN in Vietnamese 20 Nov 85 p 2

[Unattributed article: "Caring for Draft Buffaloes, Cattle During Winter-Spring Season"]

[Text] Yearly during the winter-spring season, because buffaloes and cattle must work a great deal, feed is scarce and the weather is cold, they often collapse. The past few production seasons have shown that the number that die each season is equal to from 1.1 to 1.5 percent of the total herd (1.8 to 2.3 percent of the draft buffaloes and cattle) of the north, creating a draft power shortage in many lowland provinces and a number of locations in the midlands.

Aimed at restricting to the lowest level the number of dead buffaloes and cattle, many provinces and cities such as Thai Binh, Haiphong, Vinh Phu, Nghe Tinh, Ha Tuyen, Hoang Lien Son, etc. have instituted many methods for actively caring for and protecting the herd, especially the draft buffaloes and cattle. Many localities have reserved 80 percent of the straw from each season or set aside from .8 to 1.2 tons of dry straw per animal for feed during the winter-spring season. These locations have also diverted a 10 to 15 percent portion of the land reserved for stock raising divided by the head to raise green fodder crops; reserved part of the winter crop land to raise field corn for the buffaloes and cattle to eat when grass is scarce; and diverted a portion of the grain for the animals to eat after days of heavy work.

On the other hand, localities in the north have renewed their methods of handling and using draft animals in coordination with stock raising contracts. The cooperatives of Khanh Phu and Yen Mat in Ha Nam Ninh Province, Tho Tang and Ngu Kien in Vinh Phu Province, Ngo Quyen in Hai Hung Province, and Noi Due in Ha Bac Province, etc. have groups specialized in concentrated plowing and harrowing under the control of the production unit. With this form, the animal performs proper and rational work with few collapses due to cold and hunger or work in excess of its capacity. Many basic level production units assign the buffaloes to from two to four families but with regular herdsmen and one or two plowing specialists. This is a fairly widespread method in the agricultural cooperatives. It demands that the cooperatives have specific buffalo and cattle use regulations and close connection of handling with the letting of stock raising contracts.

Moreover, the localities also periodically inspect and classify the animals before and after each plowing and harrowing season in order to have a plan to care for and nurture them, to cull out the old and weak, and to supplement the number of healthy and fat buffaloes and cattle in order to increasingly satisfy production draft power requirements.

Although the localities have made many efforts, generally speaking, the buffalo and cattle herd in the lowlands, midlands and a number of areas in Region 4 still has a shortage of feed each year, especially during the months of February, March and April. Nearly all the cooperatives are only able to set aside 50 to 70 percent of the straw after each season and there are even locations where no straw is reserved and no land set aside for the production of animal feed. The management and use of buffaloes and cattle is still arbitrary and not a few cooperatives issue nonspecific contracts in the alternating use of buffaloes and cattle for plowing and harrowing. These are the reasons that many of the animals collapse during the winter-spring season.

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SEMINAR DISCUSSES HO CHI MINH CITY INDUSTRIAL DEVELOPMENT

Hanoi NHAN DAN in Vietnamese 17 Nov 85 p 1

[Unattributed article: "Ho Chi Minh City Develops Machine Industry"]

[Text] Recently in Ho Chi Minh City, the central and local machine sectors, colleges, and high-level and technical schools held a seminar to discuss the course and method of making the machine sector of the city a sector of modern machine manufacture to support agriculture, communications and transportation, and consumer metal products and exports production.

The machine sector is one the strengths of the city in the economy. The municipal machine system consists of nearly a hundred factories of all types able to produce simple and modern, rudimentary and complicated products from steel processing and rolling, nonferrous metal and chemical refining and electronics to ship building and the manufacture of a number of machines for agriculture, water conservancy, communications and transportation, and the repair of ships and aircraft. The machinist ranks are large with 58,000 fairly skilled individuals. In technology, there are the casting, stamp forging and plating trades producing even motorcycle and automobile parts. The city is also an international trade center and protected Saigon Port is easy for ships to exit and enter. The strategy of machine sector development is oriented toward a central task of serving agricultural production and water conservancy. The machine sector must rearrange production and the use of still great capabilities in order to produce various types of machines for working the land to support the Mekong Delta and the area surrounding the city, not allowing a situation to occur in which a province imports hundreds of small machines and engines while the Southern Machine Corporation has the ability to produce those same types of machines.

Actively develop the electronics industry, ship building and repair services and anticipate the petroleum industry in a rational manner. In conjunction with the capabilities of surveying and exploiting sources of raw materials such as iron, bauxite, etc., gradually build the machine manufacturing industry, considering it a course of foremost importance in developing the industrial capabilities of the city. Within the city, rearrange and replan the central and local machine sectors, coordinate the various levels, including small industry and handicrafts, and mobilize the strength of other economic components with efforts to produce specific products while avoiding duplication. The municipal machine industry has a responsibility to assist in the development of provincial machine sectors.

Basic level units suggest that the state institute policies on the capital mobilization, industrial product prices, protection of domestic machine products, and stronger coordination in the association between schools and enterprises with the purpose of utilizing the grey matter of the scientific and technical ranks for swift introduction to experimental and mass production.

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TEMPORARY REGULATIONS ON INSTRUCTOR SUPPLEMENTS ISSUED

Hanoi GIAO DUC LY LUAN in Vietnamese No 5, Aug 85 p 56

["Temporary Regulations on the System of Supplements for Instructors and Lecturers"]

[Text] Because of the increase in prices, there are many aspects of the regulations regarding instructors of Party schools, in-service political theory or professional schools and classes at all levels and of the departments of the party committees, stipulated by Official Letter 166, dated 11 August 1981, and Official Letter No 244, dated 6 November 1932, of the Finance and Management Department, which are no longer appropriate.

After holding discussions, and reaching agreement, with the Propaganda and Training Department Organization Department of the Party Central Committee, the Finance and Management Department decrees the following temporary regulations regarding the system of supplements for instructors and lecturers:

1. Articles a and b of Chapter 3 of Official Letter No 244, dated 6 November 1982, of the Finance and Management Department, are abolished.

2. Refreshment expenses and supplements paid in money to instructors and lecturers, and supplements for the examination councils and board of proctors, are increased five-fold over the levels stipulated by Official Letter No 166, dated 11 August 1981, of the Finance and Management Department. If, after being increased five-fold,there is a fraction under one dong, it is rounded off to one dong.

The first and last paragraphs of Chapter C, Part II, of Official Letter No 166 are changed to read as follows:

--Cadres who receive state salaries and are invited by schools or organs to give lectures, explain lessons, report on current events and policies, etc., and in fact lecture or present reports half a day or all day and must eat meals at the school or organ which invited them receive an allowance of 50 dong a day. The inviting school or organ pays instructors and lecturers additional alliances and sustenance payments to instructors and lecturers if any money is left over after the deduction of meal payments. In the case of instructors and lecturers who live far away and are qualified to receive to receive travel allowances and are qualified to receive travel allowances (Money for trains or airplanes), and per diem allowances, the inviting school or organ pays them in accordance with the current travel expense regulations.

--Cadres not receiving state salaries who are invited by a school to report on the actual situation are paid a meal allowance of 150 dong per person per day during the reporting period. Travel and per diem allowances while they are traveling are paid in the same way as cadres on official business who receive state salaries. If the cadre must arrive before, or leave after, the reporting period, the school pays them meal allowances at the above-mentioned levels for a maximum period of 2 days, including the periods before and after reporting.

3. With regard to the scope, objects, and conditions under which the refreshment expenses and supplementary payments paid to instructors and lecturers, supplements for test grading, etc., implementation must continue to be in accordance with the stipulations of Official Letter No 166.

4. These temporary regulations are in effect as of 1 July 1985.

Acting Department Head

Signed: Minh Chau

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LABOR

PROVINCIAL PARTY SCHOOLS GAIN TEACHING MANAGEMENT EXPERIENCE

Hanoi GIAO DUC LY LUAN in Vietnamese No 5, Aug 85 pp 57-58

[Article: "Gain Experience in Organizing Economic Management Education"]

[Text] Implementing the policy of the Department of Propaganda and Training of the Party Central Committee, recently many provincial party schools have carried out recapitulations and gained experience in organizing the teaching of economic management, in accordance with the curriculum stipulated by the Department of Party Schools. The Board of Directors and all cadres teaching Economic Management at the Son La Province Party School and at the Nguyen Van Cu School in Ha Bac prepared recapitulation reports on applying the common curriculum to the specific local conditions and circumstances, and reports on organizing guidance of instruction and study, the application of the slogan of combining the teaching of theory with practice, and the instructional and study forms and methods of the subject. Those reports were approved at scientific conferences held by the schools and were supplemented and perfected by the mass instructional and research cadres.

The schools believe that Economic Management is a difficult subject that is still very new and unfamiliar to them. Therefore, so that the teaching and study of Economic Management can attain results it is necessary to pay attention to cultivating the ranks of instructors, and strengthen the direction and guidance of the upper echelon. Furthermore, the schools, and especially the Economic Management instructors, must exert themselves in studying and self-cultivation so that they can raise their specialized levels and meet the requirements of the new missions.

The reports emphasized the importance of applying the slogan of relating theory to practice in teaching and studying Economic Management. In implementing that slogan, the Nguyen Van Cu Party School in Ha Bac has always included the characteristics of the three economic areas (the lowlands, the midlands, and the mountain region) of the province in the lessons to help the students understand the theoretical principals in a more lively manner and help them analyze and compare the actual problems of the locality. On the basis of the common curriculum, the Son La Party School prepared and concretized three types of curricula for three categories of students.

The first was a curriculum for the long-term training classes for instructors of district party schools, successor cadres for the districts, and cadres for the provincial sections and sectors.

The second was a curriculum for key village cadres (especially chairmen) secretaries, and village successor cadres). In that curriculum the problems of agricultural management receive in-depth attention and are analyzed more carefully.

The third was a curriculum for the leadership of the province's production and commercial enterprises. Of course, that curriculum will enter more deeply into the problems of industrial management. In general, the schools have both concluded that it is very necessary to supplement the economic management knowledge of cadres and party members directly managing the sectors and the economic installations. Although the initial phase of organizing instruction and study was very difficult and confused, they made a definite contribution to improving the economic management knowledge and ability of the students.

In order to improve the quality of training in that subject, the schools sincerely recommend:

--That lesson outlines and reference and guidance materials be supplied to the localities more promptly.

--That special attention be paid to training and cultivating economic management instructors to conform with the new requirements.

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HEALTH, EDUCATION AND WELFARE

IMPROVED SERVICE OPERATIONS WILL INCREASE FREE TIME

Hanoi NHAN DAN in Vietnamese 17 Nov 85 p 3

[Article by Mai Huy Bich: "Service Operations and Improvement of Living Standards"]

[Text] State-operated service operations in the cities of our nation answer only about 10 percent of requirements of society and many extremely necessary services are given little concern or have gradually "withered away."

Sociological investigative data on the Kim Lien collective area (Hanoi) indicates that from 1963 to 1979, the number of families increased by 7.2 times but the food and general merchandise service system did not increase at all! In communications service, according to statistics, the Thong Nhat Passenger Vehicle Corporation presently has 600 vehicles compared with 500 million passenger trips, including the streetcar system, and municipal public transportation handles 10 percent of requirements. In repair services, Hanoi has more than 70,000 bicyles alone but the entire city has merely 10 large and medium repair service points. The state-operated ready-made clothing sector only answers 12 percent of requirements. Because services are not emphasized, nearly all the essential requirements in service operations of the city resident must be entrusted to private operators (for example, 95 percent of the bicycle repairs are handled by private operators) who raise their prices with impunity to drain the financial budget of the wage earner and lower his standard of living.

According to data on families of cadres and workers with an average standard of living, expenditures for ready-made clothing alone account for one-third of what they spend on service! The lack of emphasis on service has other consequences no less burdensome--the consequences of time. Daily, besides the time spent on work in social production and additional work at home to increase his income, the resident of a city (such as Hanoi) loses an average of 1 hour and 8 minutes either waiting for transportation or in transit like a pendulum from home to place of work and return over a roundtrip distance of 5.2 kilometers; with women losing an additional 3 hours and 15 minutes and men 1 hour and 50 minutes dealing with service facilities to purchase food, cook and perform household chores. This greatly restricts the remaining time for relaxation: not a full 3 hours for men daily and not 2 hours for women.

There are many causes for the retardation in service operations, partially due to a subsidization system which causes many service facilities to operate at a loss and to provide low incomes for service personnel, but an important reason is the failure to fully evaluate their importance. They are neglected, considered not truly necessary or do not yet occupy a vital position in the national economy as they do in the developed countries where there is a strong tendency to not only increase state investments but to also transfer a large number of personnel from direct production labor to the service field. The viewpoint here has deep roots in the rural area and among the farmers. Elimination of subsidization has not created a change in the viewpoint and activities of the service sector. As a matter of fact, service plays an extremely important role in urban life.

Service is not only to speak of the overall economic development standards but also to recognize the urbanization standards of a society. To the individual urban resident, due to concentration of a heavy population within a confined area and the distribution of labor and specialization of production sectors to a high degree, and due to the discipline of industrial labor in accordance with a firm time schedule, the labor of an urbanite is not aimed at self-supporting the producer himself but at the mass consumer field. This has led to formation in the city of the intermediate step between production and consumption of service, a field which the rural resident endowed with "self-support" has not understood or emphasized. In folk lore, the proverb "your rice is in the market, your water in the river" [to be rootless] is filled with a sardonic undertone for the individual (such as a craftsman) who is not self-sufficient in daily activity requirements but must depend on someone else. Through the service field, the city resident is able to acquire all the necessary materials for life. Therefore, service is an indispensable condition of life and the participation of service is an organic feature of urban life, a form, behavior and special contact in the city.

Differing from many other economic sectors, the social efficiency of service, in conjunction with other indicators, may be measured by a special parameter, the time of the citizen. The formation of a service system is aimed at a final objective of saving time and increasing free time. If the time of the urban resident is generally noted as precious, his free time is increasingly emphasized and considered of social value. Unoccupied time is a child of the urban way of life, and the tradition of treasuring free time appeared at nearly the same time as the city. This is the most outstanding difference between urban life and that of the rural area which sociologists call the "attitude toward time" and "time behavior."

The use of service operations, although the much greater dependence on service enterprise agencies in the activities and lives of the individual is regulated in a more objective manner, liberates the urban dweller from countless concerns such as daily requirements and a myriad of other "unnamed" tasks, and thanks to that, provides much more time for active recreation, relaxation and consumption of cultural values. When speaking of the function of free time, sociologists usually emphasize its usefulness to the individual: recreation to restore his strength and relaxation to pursue studies, develop capabilities or voluntarily participate in social life. In the final analysis, when the laborer has free time, society also benefits because as C. Marx stated, "Free time changes anyone with it into a different subject, and with the status of a different subject, he steps into the direct production process."

However, under the conditions of our country at the present time, the significance of free time is not only that. To the individual, when his 8 hours of work daily and 48 hours weekly are not reduced due to economic conditions, if the service operations system is well developed, there will be much time for household chores and working to augment income or pay for daily requirements and therefore, following this meaning, an increase in free time is in itself an improvement in the standard of living for time is truly money. To the family, especially families not homogeneous in the social aspects (the treterogeneous family), each member has a different trade and a different place to work and consequently, their viewpoints and interests also differ and sociological data indicates that the time budget is severely restricted.

Most of the time during the day, the daily activities of family members occur outside and far from the home, and private time with each other and for other activities at home is entirely tied up with household considerations because the service operations system does not answer those needs (cooking, laundry, water, house cleaning, etc.) and therefore the male only has 3 hours and 30 minutes and the female 2 hours and 58 minutes of contact with other family members. Under conditions in which the family is as close as if there were one "common bedroom" as described by a foreign sociologist, an increase in free time allowing the members sentimental and spiritual contact with each other is an important factor in strengthening family warmth and mutual understanding between members.

It is usually thought that only an increase in subsidies, a reduction in the cost of goods, etc.--methods concerned with the financial budget--are an improvement in the standard of living. In fact, the emphasis, development and elevation of service operations to form an important economic sector are aimed at a final objective of improving the "time budget," and increasing the free time of the urban resident in itself is to elevate life and moreover, is a method of improving the standard of living in an aspect which, in accordance with the trend of the era, will become increasingly important: the time aspect.

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BRIEFS

U.S. FARM PROTECTION LEGISLATION CRITICIZED--The federal minister for primary industry, Mr Kerin, says United States farm protection legislation will cause major long-term problems for Australian farmers. The new legislation aims at reviving the United States' depressed agricultural sector by subsidizing grain and dairy exports while limiting sugar imports. The legislation, which is being passed by Congress and signed into law by President Reagan, provides $75,000 million in subsidies for exports--that is about U.S. $51 billion. In his response, Mr Kerin says the protection measures will hurt Australian wheat, dairy, and sugar producers by making it harder for them to export. He says it is time the question of rural subsidization was put on the agenda for discussion at the General Agreement on Tariffs and Trade. Earlier, a spokesman for the National Farmers Federation criticized the legislation, saying the United States had shirked its responsibility to reduce the massive world stockpile of a range of foodstuff. [Text] [Melbourne Overseas Service in English 0430 GMT 24 Dec 85 BK] /6091

WHEAT SALE TO USSR--Australia has concluded one of its biggest single wheat sales--2.5 million tonnes--to the Soviet Union. The chairman of the Wheat Board, Sir Leslie Price, says the deal will earn around $500 million in export revenue in the next 6 months--that is about U.S. $340 million. This makes it, in value terms, the largest sale ever by the board. Sir Leslie says the Soviet Union has been one of Australia's principal customers for many years, and the latest contract further highlights the value the Soviets place on quality Australian wheat. [Text] [Melbourne Overseas Service in English 0430 GMT 25 Dec 85 BK] /6091

CSO: 4200/471

EXTRADITION TREATY WITH AUSTRALIA INITIALED

Jakarta ANTARA NEWS BULLETIN in English 30 Nov 85 pp A2, A3

[Text] Jakarta, Nov 29 (ANTARA)--Indonesia and Australia initialled an agreed text of an extradition treaty between the two countries here on Thursday.

The details of the treaty were concluded in two days of negotiations between respective delegations led on the Indonesian side by Ms. Budiarti, a senior official of the Ministry of Justice, and on the Australian side by Herman Woltring of the Criminal Law and Security Division of the Attorney-General's Department.

The treaty, which follows established international practice for cooperation between states in the repression of crime, provides for extradition from Indonesia to Australia, or from Australia to Indonesia, of persons who are wanted for prosecution of the imposition or enforcement of a sentence for an extraditable offence.

That is crimes punishable by the laws of both countries by a term of imprisonment of note less than one year. The treaty applies to the full territorial jurisdiction of Indonesia and Australia as defined in their respective laws and in accordance with international law.

The text of the treaty will now be submitted to the respective governments for signature and ratification.

At the conclusion of the negotiations, both delegations expressed their satisfaction with the constructive approach which had enabled the negotiations to be concluded efficiently and expeditiously.

/8309
CSO: 4200/475

NATUNA TO BE USED FOR JOINT EXERCISES WITH MALAYSIA

Jakarta ANTARA NEWS BULLETIN in English 29 Nov 85 p A6

[Text] Kuching, Nov 28 (ANTARA/OANA-BERNAMA)--Malaysia and Indonesia Thursday agreed to use the Indonesian island of Natuna in the South China Sea for joint air and sea exercises.

This was one of the areas of cooperation which was agreed upon at the 14th Malaysia-Indonesia General Border Committee (GBC) meeting in the capital of the East Malaysian State of Sarawak.

Both countries also agreed to study in detail ways of uplifting the living standards of people along the Malaysian Sabah-Sarawak/Indonesian Kalimantan border areas.

This was disclosed at a joint press conference by Deputy Prime Minister Datuk Musa Hitam and Indonesian Armed Forces Chief Gen L.B. Moerdani at the end of the two-hour meeting.

Musa led a 32-member delegation while Gen. Moerdani headed a 30-member delegation.

General Moerdani said that Malaysia and Indonesia considered sea traffic in the Straits of Malacca as a subject of "common concern," and the two countries agreed to intensify joint patrols in the straits, regarded as the most strategic area in the world.

Musa, who is also joint chairman of the committee, said that the use of the Natuna island would not be confined to the holding of joint exercises.

He said Natuna could serve as a vital part in contingency plans against potential threat to both countries, especially that coming from the direction of the South China Sea.

Musa, in his opening speech at the meeting earlier, described the South China Sea as having the potential of becoming an area of dispute in the future.

Apart from the continuing crisis in Indochina, several countries were presently disputing their sovereignty over certain areas in the South China Sea, he said.

"The situation is further aggravated by major powers setting up naval bases in the region," he said.

As such, Musa added, it was appropriate for Malaysia and Indonesia to study potential threats from the air and sea, especially those coming from the direction of the South China Sea.

The next GBC meeting will be held in Indonesia next year.

/8309
CSO: 4200/475

INDONESIA

TRANSMIGRANTS RESETTLED IN SOUTHEAST SULAWESI

Jakarta ANTARA NEWS BULLETIN in English 26 Nov 85 p A2

[Text] Kendari, Nov 26 (ANTARA)--Southeast Sulawesi Province has since PELITA I (first five-year development plan, 1969-1974) until the first year of PELITA IV (1984-1985) resettled not less than 36,000 transmigrant families, Southeast Sulawesi provincial transmigrational office chief K. Berlin has told newsmen here, adding that during the three previous PELITAs already 34,545 transmigrant families or 142,265 persons had been resettled.

The transmigrants are resettled in 81 units spread in four regencies, viz. Kendari, Kolaka, Buton and Muna regencies under the food crop cultivation scheme.

PELITA IV Target

K. Berlin said that Southeast Sulawesi in PELITA IV is capable of receiving at least 24,250 transmigrant families.

According to Berlin, development in the transmigration sector in principle is the responsibility of all, because the implementation of transmigration is an important part of the national development. "The transmigration program is in principle aimed at raising the insight on national resilience. Its implementation should therefore not be left to the government alone but should also be the general public's responsibility," he said.

/8309
CSO: 4200/474

TRANSMIGRATION FROM EAST NUSATENGGARA TO IRIAN JAYA

Jakarta ANTARA NEWS BULLETIN in English 25 Nov 85 p A6

[Text] Jayapura, Nov 25 (ANTARA)--Some 20,000 families living in critical areas in the East Flores and Sika regencies, East Nusatenggara, will be resettled in transmigration centres in Irian Jaya in the current Pelita IV (fourth five-year development plan--1984/85 to 1988/89).

East Flores Regent Simon Petrus Saliwon and Sika Regent Drs. Daniel Wodapele disclosed here recently that transmigration centres in Irian Jaya generally located in potential areas which have fertile soil.

The two regents were on the occasion visiting Irian Jaya to accompany Minister of Transmigration Martono in his five-day visit to the province to inspect transmigration projects in Prafi and Warmare in the Manokwari regency, and Koya in the Jayapura regency.

Simon said that the development of transmigration centres in Manokwari had so far been running well and the output of agricultural produce in those areas had continued to go up.

He expressed confidence that transmigrants resettled in those transmigration centres would have a bright future. This bright prospect has aroused the interest of people in East Nusatenggara to move to those areas.

The two regents stated their view that it was necessary for those areas to receive transmigrants as many as possible to catch up with the progress made in other areas in the country in the realization of development programs.

The Koya Timur transmigration centre received 600 migrant families in 1983/84, consisting of 466 families from other provinces and 134 families consisting of local resettlers.

The Koya Baray transmigration centre received 500 migrant families in 1982/1983.

/8309
CSO: 4200/474

INDONESIA

WEST GERMAN COMPLAINTS ABOUT INVESTMENT PROCEDURES REPORTED

Jakarta ANTARA NEWS BULLETIN in English 27 Nov 85 pp A7, A8

[Text] Jakarta, Nov 26 (ANTARA)--West German business circles felt that the settlement of an application for investment in Indonesia still takes too much time, despite frequent statements by the Investment Board pledging to cut the time.

ANTARA reported from Hamburg that such complaints had been addressed to the Indonesian Embassy in Bonn.

Proof of the delay is the big difference between the number of investment applications approved by the Indonesian Government and those registered by the Board's representative office in Frankfurt.

Figures available at the Investment Board show that West German investments in Indonesia from 1967 to March 31, 1985 were valued at US$413.6 million, while the Frankfurt office in the past three years registered US$165 million in investment applications in 1982, US$648 million in 1983 and US$84 million in 1984.

The Frankfurt office of the Investment Board, opened in 1982, was closed last October, and the investment promotional activities are now launched by the Indonesian Embassy pursuant to a cooperation accord between the Department of Foreign Affairs and the Investment Board.

The opening of the Frankfurt office was stimulated by the Indonesian wish to "turn to Europe" at that time aimed at diversifying capital resources and technology to make Indonesia not to depend too heavily on certain countries, Japan in particular.

A similar office was also opened in Paris, but now also closed.

Change Partners

Prospective West German investors also complained that their Indonesian partners could not keep their word, and often took up commitments with many other parties for the same project.

A prospective investor had also expressed his disappointment that his Indonesian partner who had contacted him had decided to join another party. The West German businessman also felt that very few Indonesians are willing to become partners.

The ANTARA correspondent who frequently attended business/investment meetings in West Europe kept meeting the same persons.

The West Germans also saw the financial capacity of Indonesian partners as quite limited, making them out of the question in undertaking upstream industrial enterprises normally consisting of capital-intensive major projects. The tragic thing about this is that the Indonesian Government is trying to boost the development of such industries by inviting foreign capital.

The vice president of a giant business company eyeing for a multi-billion dollar energy project said for major projects the best partners in Indonesia are state-owned companies.

There are not many second or third generation rich people in Indonesia, he said.

Increasingly Difficult

A coordination meeting between different Indonesian Government bodies in West Germany held in West Berlin last month realized that it had become increasingly difficult to attract foreign capital to Indonesia.

The reasons are that downstream industrial sectors which generally attract foreign investors had been cloned because the Indonesian market had reached the point of saturation. Downstream industries are open only to foreign capital if all the products involved are for export or if the foreign investors have cooperative societies as their partners.

Investments for the sole purpose of re-exports, as wished for by Indonesia were not parallel with the wishes of West German businessmen abroad.

The chief aim of West German investments abroad is to penetrate protections and other market restrictions in the country of destination, rather than for re-export.

This type of investment is aimed at winning local markets as expansion of domestic industries.

The sector still open and must be promoted include industries for the processing of agricultural produce and upstream industrial enterprises manufacturing machinery, machine tools, raw and complementary materials for the downstream industry.

This sector is not attractive to foreign investors as it is capital intensive using high technology in addition to the narrow markets.

The meeting, chaired by Ambassador Ashadi Tjahjadi decided that the Indonesian Embassy will continue with its promotional activities while awaiting better investment climate in Indonesia.

/8309
CSO: 4200/474

SUHARTO INAUGURATES, RENAMES EXPANDED SEMARANG SEAPORT

Jakarta ANTARA NEWS BULLETIN in English 23 Nov 85 p A5

[Text] Semarang, 23 Nov (ANTARA)--President Soeharto has appealed to all regions to intensify economic activities and to activate regional development.

The Head of State made this appeal at the inauguration of the new Tanjung Mas port in Semarang Saturday morning, which was also attended by Madame Soeharto and several ministers of the fourth development cabinet.

In his address the president reminded of the importance of creating national efficiency, which should be carried out without delay to fight the current high cost economy.

The President stressed that through national efficiency in all fields and at all levels, all future difficulties could be overcome as fast as possible.

Apart from the national efforts, all regions should do their utmost to continue intensifying economic activities and activating development in the respective regions, he stressed.

The Semarang Tanjung Mas port which was inaugurated Saturday has container loading and unloading facilities. It is expected to be able to speed up the flow of good traffic to other parts of Central Java, the President said. He also expressed the hope that this port would provide greater impetus to Central Java's economic and development growth.

In another part of his address the President said in the current development process from Repelita I to the current Repelita IV (first to fourth five-year development plans) communication development has always had the greatest attention.

In the field of sea communication, many development activities have been carried out so far. "Some time ago we enter the initial stages of modern sea communication activities through the use of container vessels and terminals," he said.

At the inauguration the President named the new port Tanjung Mas port.

Tanjung Mas Seaport

The just inaugurated Semarang's Tanjung Mas seaport was constructed at a cost of about Rp 108 billion or about US$108 million financed by state budget and Japanese financial aid.

The construction of the port was carried out by PT Bangun Cipta Sarana as main contractor in cooperation with a Japanese contractor. The first phase of the construction works of the port covered the building of pier, warehouses, breakwater, dump storages, fresh water facilities, dredging works and reclamation.

The loading and unloading activities in the Semarang seaport had so far been done the sea by using barges, because ships with more than 3,000 Dwts could not berth at the pier.

The new port will be able to accommodate ships with 20,000 Dwts upward.

The construction of the first phase of the port was started in 1983, while the second phase is expected to be completed by 1990. The construction works of the second phase of port will cover the buildings of coal terminal, various facilities for ocean-going ships and improvement works of old facilities.

The construction works of the second phase of the port is estimated to cost about Rp 89.13 billion or about US$89.13 million.

/8309
CSO: 4200/474

SGS EXPEDITING FLOW OF GOODS FROM HONG KONG

Jakarta ANTARA NEWS BULLETIN in English 26 Nov 85 p A7

[Text] Hong Kong, Nov 26 (ANTARA)--The Societe Generale de Surveilence (SGS) plays a great role in expediting the flow of goods into Indonesia, particularly goods from Hong Kong which largely originate from the People's Republic of China (PRC), Indonesian consul general in Hong Kong Yahya has said.

He told Indonesian reporters recently that in the first few months following the enforcement of Presidential Instruction No 4/1985, there had been some delays in the SGC service, specifically in the issuance of the verification reports (LKPs), but at present there is much improvement.

He cited as example that at first the inspection of goods was conducted in warehouses, now it is carried out aboard the barges, so that the flow of goods has been accelerated to a good extent, next to saving warehouse-rent.

In an effort to popularize the Instruction among Hong Kong exporters, brochures about the SGS service has been sent to the Indonesia Club Hong Kong which has some 300 member companies.

Yahya said in the inforcement of the Instruction, the Hong Kong administration has so far not voiced any complaints, considering the volume of trade between Indonesia and Hong Kong is relatively small, compared with its trade with the United States, Japan, and the EEC.

The Indonesian trade attache in Hong Kong, Mochtar, said the inspection of ex-PRC goods, that will be shipped to Indonesia, is conducted by the SGS in Hong Kong.

Concerning the ex-PRC goods, many Hong Kong exporters have complained of the difference of their quoted prices with those set by the SGS.

Approximately 80 percent of the goods exported from Hong Kong to Indonesia originated from the PRC except those goods such as textiles, electronics and children dolls.

Hong Kong's exports to Indonesia in 1984 stood at a value of 4.1 billion Hong Kong's dollars, down slightly from 4.3 billion Hong Kong dollars in 1983, while Indonesia's exports to Hong Kong have increased from 953.5 million Hong Kong dollars in 1983 to 1.19 billion Hong Kong dollars in 1984.

/8309
CSO: 4200/474

INDONESIA

AMBASSADOR SEES NO SINGAPOREAN COMPLAINTS ABOUT SGS

Jakarta ANTARA NEWS BULLETIN in English 28 Nov 85 pp A9, A10

[Text] Singapore, November 28 (ANTARA)--There are no complaints so far from Singaporean businessmen who have been doing business with Indonesia since the enactment of the Presidential Instruction No 4/1985, Indonesian Ambassador to Singapore Rais Abin said here Wednesday evening.

The Presidential Instruction No 4/1985 requires all incoming goods from abroad should be firstly inspected by the authoritative agency, the Societe Generale de Surveillance (SGS), before entering Indonesian ports.

Speaking to the visiting Indonesian reporters here, Ambassador Rais Abin further said that Singaporean big exporting companies have no objection with the presence of SGS, because the presence of SGS will be helpful in speeding up their export of goods to Indonesia.

He added that companies who usually filed their complaints to the Indonesian Embassy here on the delayment of the issuance of the letter of inspection report (LKP) were those who had been playing "unfair games" detrimental to the Indonesian side.

In order to tackle "unfair games," the ambassador proposes regular meeting between Singapore exporting companies, SGS, forwarding companies and shipping companies.

With such a meeting, he went on, it is expected that all problems can be mutually settled without disturbing the flow of goods from Singapore to Indonesia.

Meanwhile, manager of the SGS Singapore representative office Michael D. Honney said that the issuance of LKP's has been running well so far.

He said that since the enactment of the presidential instruction No 4/1985 last May, the SGS Singapore Representative Office has been continuously increasing from 1,511 in May to 2,459 in October.

/8309
CSO: 4200/475

JAPANESE TO PARTICIPATE IN SETTING UP BIOTECH CENTERS

Jakarta ANTARA NEWS BULLETIN in English 26 Nov 85 p A4

[Text] Tokyo, Nov 26 (ANTARA)--At least four Japanese enterprises in the biotechnological field, have expressed their interest in participating in the setting up of biotech centers at Indonesian institutes of higher learning.

These enterprises are Suntory Ltd., Sakura Instruments, Hitachi Ltd and Sankei Engineering, which are engaged in safety facilities construction, genetic engineering and cell hybridization technology.

They want to participate in the setting up of inter-university centers of biotechnology which will be built at the Bandung Institute of Technology, the Bogor Institute of Agriculture and Gajah Mada University in Yogyakarta.

Japanese enterprise sources said construction work will be started in the 1985/1986 fiscal year and funds amounting to US$270 million will be made available by the World Bank.

/8309
CSO: 4200/475

PERTAMINA, JAPANESE COMPANY SIGN EXPLORATION AGREEMENT

Jakarta ANTARA NEWS BULLETIN in English 30 Nov 85 p A1

[Text] Jakarta, Nov 29 (ANTARA)--Pertamina, Indonesia's state oil company, and Japan Petroleum Exploration Company Ltd signed a cooperation contract here Friday on a joint oil exploration on 4,905.35 square kilometres of land in Gebang, North Sumatra.

The signing was done by Pertamina President Director Abdul Rachman Ramly, President of Japan Exploration Co Ltd J. Hidaka and Minister of Mines and Energy Subroto.

Under the cooperation agreement, the Japanese contractor is bound by several conditions, including the requirement to accept all the terms of the joint cooperation contract fixed by the Indonesian Government.

The contractor's concession area will be returned on stages, leaving only about 1,226.25 km2 of the concession land by the end of the sixth year.

In the first three years of the contract, both sides are required to spend US$32,000,000 in obligatory spending, the entire amount of which will be paid by Japex.

Japex is also prepared to pay to Pertamina US$3,000,000 in compensation for the costs and expenses incurred by Pertamina before the contract was signed within a period of 30 days after the signing of the document, and later US$7,000,000 in another 30 days beginning from the third year of the contract, US$5,000,000 in 30 days from the beginning of the fourth year and US$2,500,000 in 30 days after the establishment of the possibility of the development of the field for commercial production.

/8309
CSO: 4200/475

NORTH SUMATRA'S NONOIL EXPORTS EXCEED TARGET

Jakarta ANTARA NEWS BULLETIN in English 26 Nov 85 p A4

[Text] Medan, November 26 (ANTARA)--Non-oil/gas exports from North Sumatra stood at 1,181,956 tons in the first ten months of this year, around 11 percent over the target of 1,064,612 tons set for the year, the North Sumatra Trade Service here announced Monday.

North Sumatra's exports of non-oil/gas commodities reached in the first ten months of this year show an increase of about 30 percent in volume compared with 909,135 tons registered in the same period in 1984.

North Sumatra's earnings from exports of commodities other than oil and natural gas from January to October this year amounted to US$630,380,000, an increase of around 7 percent over US$587,139,000 reached in the corresponding period of 1984.

but the value of non-oil/gas exports reached in the first ten months of this year is still 26 percent below the projection made for the whole year of 1985.

The sharp increase in the volume of non-oil/gas exports from North Sumatra is not followed by a considerable increase in the export value, because of mainly the fall in North Sumatra's coffee exports by 27 percent in the first ten months of this year compared with that in the corresponding period of 1984.

Based on data obtained from the North Sumatra Trade Service, North Sumatra's revenue from coffee exports averages around 9.5 percent of the total export earnings of the province every year.

The biggest increase is recorded in North Sumatra's exports of palmoil. The shipment of palmoil from the province rose by 318 percent in volume and 281 percent in value in the first ten months of 1985 as against that in the corresponding period of 1984.

The increase during that period reached 30 percent in volume and 7 percent in value for shrimp, 39 percent in volume and 45 percent in value for processed timber, 106 percent in volume and 4 percent in value for copra, 38 percent in volume and 3 percent in value for tobacco, 83 percent in volume and 59 percent in value for several other kinds of commodities.

/8309
CSO: 4200/474

TAIWANESE ACCUSE INDONESIA OF SUBSIDIZING PLYWOOD EXPORTS

Jakarta ANTARA NEWS BULLETIN in English 26 Nov 85 p A2

[Text] Taipei, 25 Nov (ANTARA/AFP)--Taiwan's plywood manufacturers charged that plywood imports from Indonesia, which received government subsidies, had forced 32 per cent of the local plywood factories to close down and some 5,700 people lose jobs in the past three years, a survey showed Monday.

The survey on the 51 local plywood manufacturers was conducted recently by the Taiwan plywood association to support its last month's call for the Taipei authorities to impose anti-dumping or counterveiling duties on plywood imports from Indonesia to protect the local industry from unfair competition.

The survey showed that cheaper plywood from Indonesia had forced 24 Taiwan plywood makers to shut down and some 5,700 people had lost jobs in the past three years.

Under subsidies from the Jakarta government, plywood imports from Indonesia jumped from 30,000 cubic meters in 1983 to 120,000 cubic meters this year, the survey showed, and utilization rate of the remaining 51 local factories was lowered to an average of 63 per cent.

It said the current import price of 130 U.S. dollars for per cubic meters of Indonesian plywood was believed to be already 40 percent lower than the production costs.

The subsidiary program started last month in which the Jakarta authorities offered 20 U.S. dollars to each cubic meter of plywood exported to Taiwan, Japan and South Korea would further jeopardize the survival of the existing local manufacturers, it said.

/8309
CSO: 4200/474

PALMER LINKS AMMUNITION WITH NEW CALEDONIA UNREST

HK300728 Hong Kong AFP in English 0700 GMT 30 Dec 85

[Text] Wellington, 30 Dec (AFP)--New Zealand customs officers today seized a large quantity of automatic weapons parts and eight thousand rounds of ammunition from a French freighter in Auckland Harbor, the deputy premier said.

Geoffrey Palmer, duty minister during the Christmas break, indicated that the items, said to be "enough to start a small war," were being smuggled by groups in New Caledonia, a French territory caught up in a sporadically violent independence campaign.

He told a news conference that the ship, the Isle de Lumiere, was bound for New Caledonia. "There is a state of unrest there, and it is a place where there would be an obvious use for this sort of contraband," he said.

He vowed that New Zealand was "not going to allow itself to be used as a transit point for such smuggling."

He said the eight thousand rounds of ammunition and automatic weapons parts appeared to have been loaded on the island trader in Australia as some of the cache was wrapped in an Australian newspaper dated 3 December.

Kevin Donovan, customs collector in Auckland, earlier told reporters, "the ammunition is enough to fill eight large suitcases and enough to start a small war."

He said 25 plastic-wrapped packets of ammunition were found in the ship's fuel tanks and parts for automatic weapons were located in the bilges during "a routine rummage."

The Isle de Lumiere plies between New Caledonia, Australia, New Zealand and Norfolk Island. It arrived in Auckland yesterday from Sydney after 25 days in the Australian port and was due to sail later today for New Caledonia.

Mr Donovan said the freighter would now have its engine room and other areas searched thoroughly for the other parts of the weapons.

He said that the ammunition came in 12 different types ranging from rounds for luger pistols to ammunition that would fit most types of semi-automatic weapons and sidearms.

He said the freighter was being held in Auckland and the crew, made up of Australian, French, Fujian and Vanuatuan nationals, had been confined to the vessel.

Once the specialist rummage squad had completed its search of the vessel another group would be brought in to search the ship's entire cargo. He believed this would take up to two days to complete.

"My men were very surprised to find this arms cache during a routine search," he said.

Auckland police assistant commissioner Jim Glynn said his men were interviewing the unnamed captain and crew.

Mr Palmer said there was "no evidence at all" to connect this incident with that of the Rainbow Warrier, in which French agents were convicted in the bombing of the environmental group Greenpeace's ship in Aukland Harbor this year.

/9738
CSO: 4200/476

NEW CALEDONIA

BRIEFS

ARMS TO FRENCH SEPARATISTS--A representative of the Kanak Socialist National Liberation Front in Melbourne says weaponry and ammunition seized from the French freighter in Auckland yesterday were bound for use by French separatists in New Caledonia. Mr (John Pago) claims that gunrunning between Australia and New Caledonia has been going on for at least 5 years with a main supply point in Queensland. Mr (Payo) says although the arms seized yesterday were on board the freighter the "Ile de Lumiere," most trafficking is done by yachts sailing to Queensland from Noumea. New Zealand's deputy prime minister, Mr Palmer, said earlier that the arms were probably destined for New Caledonia, adding, however, that he did not know to which side of the independence conflict they were going. However, Mr Palmer said today it was quite likely that the ammunition was purchased legally in Australia. New Zealand's authorities have also announced that the freighter will be allowed to sail for Noumea at the weekend. [Text] [Melbourne Overseas Service in English 0830 GMT 31 Dec 85 BK] /6662

CSO: 4200/505

NEW ZEALAND

INTERVIEW WITH LANGE INDICATES 1986 AGENDA

Wellington THE EVENING POST in English 17 Dec 85 p 4

[Interview with New Zealand Prime Minister David Lange by Chief Political Reporter Tony Garnier, in "Tony Garnier's Weekwatch": "The Year According to Lange"; date and place not given; capitalized passages published in boldface]

[Text] IT NOW SEEMS TO BE OFFICIAL THE PRIME MINISTER AND CHAIRMAN OF PARLIAMENT'S FOREIGN AFFAIRS AND DEFENCE SELECT COMMITTEE, MS HELEN CLARK, DON'T SEE EYE-TO-EYE ON NEW ZEALAND'S ANTI-NUCLEAR STAND, AND ITS IMPLICATIONS FOR THE ALLIANCE WITH THE UNITED STATES.

IN WEEKWATCH LAST WEEK, MS CLARK DISCLOSED THAT IN HER VIEW NEW ZEALAND HAD DELIBERATELY MOVED TO QUALIFY THE ALLIANCE. "WE NOW ARE A SEMI-ALLY OF THE UNITED STATES," SHE SAID.

MS CLARK SAID NEW ZEALAND HAD BECOME A SEMI-ALLY BY DECOUPLING ITSELF FROM SUPERPOWER STRATEGIES OF ANY KIND, AND BECOMING UNINVOLVED IN THE MILITARY ASPECTS OF THE ANZUS ALLIANCE, BUT REMAINING A MEMBER.

I ASKED MR DAVID LANGE IF HE AGREED THAT NEW ZEALAND AND THE U.S. WERE NOW "SEMI-ALLIES," AND NEW ZEALAND HAD DELIBERATELY BECOME SO. HE REPLIED THAT HE DID NOT USE THAT TERM.

ASKED IF "SEMI-ALLY" WAS AN ACCURATE TERM TO DESCRIBE THE STATE OF RELATIONSHIP BETWEEN THE TWO COUNTRIES, HE REPEATED THAT HE DID NOT USE THE TERM.

ASKED HOW HE WOULD THEREFORE DESCRIBE THE STATE OF THE NZ-US ALLIANCE, MR LANGE REPLIED SIMPLY: "NEITHER OF US HAS GIVEN NOTICE UNDER THE ALLIANCE TO WITHDRAW."

IF THE highlight of the Government's economic management in 1985 has been the massive reforms asked of the farming and financial sectors, next year it will be the turn of the trade unions to be in the spotlight of change.

As last week's mini-budget hinted, and the Green Paper expected to be released tomorrow will show, the Government is preparing to make 1986 a year of radical change for the whole trade union movement.

There is also the prospect that 1986 will see a major public relations bid to sell the Maori dimension to the wider community. The campaign's aim will be to overcome the confusion and fear detected among many New Zealanders by the Prime Minister, Mr Lange, over the prominence and influence taha Maori has had recently.

And, of course, 1986 will see the Anzus-nuclear ships row continue, possibly climaxing mid-year when the anti-nuclear legislation becomes law.

The above points emerged in an end-of-year interview with the Prime Minister.

It was a year in which Mr Lange believes the pace of change settled down to be measured and "boringly predictable," as he had promised.

And it was, he says, a much quieter year than 1984, when the incoming Government faced devaluation and constitutional crises.

1985 saw a disappointing wage round, he says.

He is not happy with the follow-the-leader approach taken and lack of flexibility, and indicates that 1986 will see structural changes in the trade union-employer sector.

While there has been structural changes in most sectors in the past year, there has been virtually none in the trade union area, he says.

As would be indicated in the Green Paper, Mr Lange promised considerable innovation and change to trade union structures including the whole area of coverage, legislation and the principles on which industrial relations was based.

He believes the issue is much deeper than simply whether there should be compulsory or voluntary unionism.

"What we now have to do is address the issue of coverage not from a recklessly destructive way but from some sort of creative way."

Mr Lange expressed satisfaction at the Government's job creation efforts in 1985.

Employment grew by 25,000 which Finance Minister Mr Roger Douglas could be proud of, he says. Employment is the number one priority.

However, he has reservations about whether the employment growth will continue next year.

Firstly, employers and trade unions have negotiated a wage round which is too high; those in jobs have given themselves high wage increases which will limit the ability of employers to increase staff.

"There are people in the trade union movement who believe that 600 jobs are better than none, but in a (potential) 650-job situation."

Secondly, employment growth will fall, he says. While people will maintain confidence in the Government's policies, they will hedge themselves because of the more competitive environment.

Mr Lange says while he sees the prospect of considerable change in the trade union area next year, there is a fair chance the proposed New Zealand Council of Trade Unions will not come off.

Instead, he sees substantial pressure for change arising from within the trade union movement itself. The Green Paper will provide the catalyst for this, he believes.

However, the process of change to achieve the co-operative society (as against the traditional confrontational one) he called for at the economic summit in 1984, will be a long process, he says.

Moves like those of Overseas Trade Minister Mr Mike Moore to include union delegates in trade delegation help "knock off the hard edges of distrust." "But achieving the co-operative society is a very long process."

Despite pressure from some quarters against the anti-nuclear legislation, Mr Lange remains confident that New Zealand can win through with its point of view.

His belief and optimism is centred on his faith in democracy working and other countries respecting the rule of law.

As New Zealand had found in the early 1970s when France was taken to the World Court over atmospheric nuclear testing, where an issue could be resolved judicially, it could be established that New Zealand could win, he said.

However, if the law is taken away, "then you end up with the power of might being more insistent than the power of logic or rationality."

Mr Lange says it is hard not to bend to the view that because of Anzus, New Zealand is being forced to succumb to the dictates of other nations.

However, in the end, he believes that is not what the United States intended nor its view of what democracy is all about. "Our foreign policy view of ourselves" will be allowed expression, he believes.

The Anzus row has been a challenge to the New Zealand psyche.

As the French have been patriotic over the Rainbow Warrior sinking, so New Zealanders have risen to the challenge and pressure of a large country "apparently taking some glee" out of molesting a small one, "like (someone) gets pleasure from pulling wings off flies."

"We are in the position of having a huge ground swell of nationalistic response because New Zealanders by and large believe they elected a government and not some administration overseas," said Mr Lange.

One of his most extraordinary impressions of 1985 has been the number of people who have approached him and said they had reservations about aspects of the foreign policy, "but like Voltaire, added: 'I will fight to the death to see that you have the right to put it in place'."

Mr Lange disclosed that he had told a high-powered delegation of European Parliament MPs which visited recently that he didn't believe there was much this country could learn about security from Europe.

They couldn't believe it when he had told them this, adding that "I don't propose to learn lessons of security from people who have done themselves over time and again."

The European conception of security was still a sort of Maginot Line theory, but under a new form.

In contrast, the first line of defence in New Zealand is that people here live in a relatively tranquil environment and exercise an influence on the region disproportionate to New Zealand's size, on a global scale.

New Zealand is an attractive region to the superpowers, but has remained immune from usurpation.

He put more trust in the New Zealand peace reality than building a deterrence modelled on superpower confrontation and Europe's wartorn history.

Nonetheless, Mr Lange concedes that an upgraded conventional defence is needed. "You have to calculate on the possibility of incursion from the far distant."

"That is why I see a (better) conventional defence arrangement as being necessary.

On the prospects of nuclear war, Mr Lange acknowledges that the philosophy of nuclear deterrence "on the face of it" has worked. And he doesn't believe the United States and the Soviet Union proposed to engage in mutual self-annihilation. But if they do, New Zealand will have longer to think about its demise than would the two Superpowers.

The Europeans can teach New Zealand the principles of how best to examine its security problems, "but we can never imitate them any more than they could imitate us."

Mr Lange disclosed that he believed he and the Government made a tactical error in the way they promoted the anti-nuclear policy.

"We made the error of speaking to people about the process.

"If we had introduced a simple piece of legislation which said we ban nuclear explosive devices but any warship can come in as long as the Prime Minister is satisfied it is not carrying nuclear devices, we would never have got into this situation."

By talking about the detail, the Government has tried to establish the earnestness of its intent that the legislation is anti-nuclear not anti-American, he says.

However, in hindsight he believes it was a mistake to try to "take anyone rationally through a process."

Nonetheless putting in place the new policy has given New Zealand a new world view.

The Labour Party is following its internationalist tradition, and the public likes that, he says.

The strong opinion polls are an affirmation of what the Government is doing, not a reflection of the disunity within the Opposition.

If the polls were simply reflecting the woes of National, they would fracture into support for the third parties, but this wasn't happening.

Despite the gloomy news, people know the tight monetary policy is correct and the Government is facing up to long-standing and deep-seated problems.

Mr Douglas is a critical part of why the Government's credibility is holding, he says.

Mr Lange says Labour is following classic socialist goals — education, housing and health. "Our current stage of economic development is socialism with New Zealand characteristics."

If New Zealand can get a more efficient, competitive and internationally viable wealth base, it can then pursue the grand objectives.

"But you have to make the lollies before you can have the scramble."

Mr Lange says the Maori dimension is being developed in a good way for some New Zealanders, taha Maori is positive and stimulating.

However, there are many New Zealanders of an age who have never had that chance, "and who are absolutely petrified."

"They feel threatened by it. We are going to have to do something that breaks down the feeling of being threatened."

By now I had been interviewing the PM beyond the allotted time (30 minutes), and with secretaries trying to ease the PM on to his next appointment, I managed to get in a few last questions:

Q: Would the Government get through enough of its reforms to be able to show the electorate it had progressed New Zealand enough to deserve a second term? Mr Lange: "Yes."

Q: How had the shift from the grandeur of Vogel House to the plain living of a Hill Street flat worked out? PM (grinning): "Splendidly."

Q: Holidays, where to? PM (still smiling and in classic Lange-esque humour and yet another crack at the French): "I am going away in a Newman's van."

He roars with laughter and all the world can see: 1985 has been an astonishingly good and lucky year for Mr Lange and Labour, but the will to push on with the reform agenda in 1986 is as strong as it has ever been.

Tony Garnier is the Post's chief political reporter.

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NEW ZEALAND

EDITORIAL DISCOUNTS IMPACT OF NATIONAL PARTY SPLINTER GROUP

Auckland THE NEW ZEALAND HERALD in English 18 Dec 85 p 6

[Editorial: "Voices From National's Past"]

[Text] Whatever other problems he may have on his plate, the Leader of the Opposition is unlikely to be shaking in his shoes over the announcement that the National Party splinter group the Sunday Club (or at least a section of it) will contest the general election next year.

With friends like these, Mr McLay and his party may feel, who needs foes? But there is little real evidence, either in terms of membership or public support, that the Sunday Club commands any significant level of loyalty within the National ranks.

On a basis of recent history, breakaway party groups (or candidates) have had little influence on elections. The National Alternatives of 1978 made a great song about party policies and candidate selections, yet their handful of contestants cost National no seats. Party labels, it seems, dominate most other electoral considerations.

In any event, the Sunday Club and its chairman, Mr Bert Walker, must represent for many voters a style and an era rejected most resoundingly in July last year. Mr Walker himself, a loyal supporter of Sir Robert Muldoon, was one of National's losers in 1978. He and his followers may be an irritation to Mr McLay and Mrs Wood; they hardly constitute a threat.

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GROUP CONSIDERING NUCLEAR BAN DAY OBSERVANCE

Auckland THE NEW ZEALAND HERALD in English 13 Dec 85 p 11

[Text] Organisers of the government-funded United Nations International Year of Peace are considering celebrations to mark the first anniversary of the ban on the USS Buchanan, imposed last February 1.

The executive director of the Aotearoa (New Zealand) committee of the Year of Peace, Barbara Holt, said February 1 might become the peace equivalent of Anzac Day.

"Why do we have Anzac Day? To remember the struggles we took part in in wars," she said.

"Well, the peace movement feels we need days to commemorate peace.

Scrutiny

"That might sound ridiculous, but if the [anti-nuclear] legislation is not as waterproof as we think it should be, that kind of memorial might just keep people firm."

It would mark the day the government denied access to the USS Buchanan on the grounds that it might be nuclear-armed.

Although it does not officially began until January 1, the Year of Peace has already come under scrutiny by the parliamentary Opposition.

In a written parliamentary question, the MP for Kaimai, Mr Bruce Townshend, asked whether the Year of Peace office at 44 Sydney St, Wellington, was being occupied by Greenpeace and the Campaign for Nuclear Disarmament.

The Minister of Works and Development, Mr Colman, replied that the house at that address was owned by his ministry, and was being rented to the Year of Peace for $10,000 from June 8 this year until December 31 next year.

He said Greenpeace was not using the house, but confirmed that the Campaign for Nuclear Disarmament was sharing the office.

Salary

Barbara Holt said the Campaign and Peace Group Aotearoa were paying "a small amount" towards the rent under an informal arrangement.

Her own salary was being paid by the Social Welfare Department, from which she had been seconded.

The Ministry of Foreign Affairs had provided $62,000 for administration expenses, and the Lottery Board had agreed to give $50,000 for approved projects.

In addition, the Society of Friends and other private groups had made donations.

She said Year of Peace committees had been set up in the various regions, initially by contacting more than 200 active peace groups.

Examine Treaty

"The idea is that we will have a ripple effect. We are now broadening out to the National Council of Women, the Maori Women's Welfare League and the National Council of Churches," she said.

"We will be looking very much at the tangata whenua [people of the land] as the people who can benefit from the Year of Peace. We need to examine the Treaty of Waitangi and the whole question of justice for Maori and Polynesian people."

The Year of Peace would also extend to road safety, after some groups expressed concern about dangerous driving.

Barbara Holt, a daughter of an Auckland peace campaigner, Mrs Betty Holt, is president of the Wellington branch of the Women's International League for Peace and Freedom.

"Very few people could do this job unless they were sympathetic to the peace movement," she said.

But she said the Year of Peace had accepted conditions from the Lottery Board that its contribution should not be used for political purposes.

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WELLINGTON DAILY ON U.S. NUCLEAR 'DECEPTION' IN JAPAN

Wellington THE EVENING POST in English 13 Dec 85 p 7

[Article by Andrew Kruger, of Australian Associated Press: "Researcher Says U.S. Cheated on Nuke Deal"]

[Text] New York--Even without the U.S. State Department's rejection of New Zealand's nuclear-ship compromise, historical precedent suggests it was doomed to fail.

The State Department has made it clear that New Zealand's position in the Anzus three-way defence alliance is in jeopardy if it proceeds with legislation to veto port visits by U.S. nuclear warships.

Top-secret U.S. documents, recently declassified, show that a similar scheme in Japan was mired in deception and lies.

The implications for the New Zealand plan are clear enough.

The documents reveal that Japanese and American officials lied to the Japanese people about the existence and terms of an agreement.

Even when an agreement was eventually negotiated, the U.S. broke it by storing nuclear weapons within Japanese territory without telling the Japanese.

The documents were obtained by Australian researcher Peter Hayes, who works with the U.S.-based non-profit Nautilus Research Centre.

Like New Zealand today, Japan in the 1950s was under severe political pressure to disengage itself from the American nuclear alliance.

As a result, Japanese Foreign Minister Mamoru Shigemitsu told the Japanese Diet in June 1955 that he had an understanding with U.S. Ambassador John Allison about nuclear weapons.

Shigemitsu told the Diet the U.S. did not possess nuclear weapons in Japan, did not store them, and would ask Japan's consent before their introduction.

His performance softened public pressure and helped Japan's integration into American's defence strategy of forward deployment.

However, according to a recently declassified report by the Department of State division of research for the Far East office of intelligence research, called The Relationship of Nuclear Weapons and Warfare, 1957, "there was in fact no such understanding."

The document says: "In a secret letter dated July 7, 1955, the foreign minister was officially informed by the embassy (US) that the ambassador 'made no commitment on May 31 regarding the storage of atomic weapons in Japan and that the U.S. Government does not consider itself committed to any particular course of action.'

"The Japanese foreign minister replied on July 13, 1955, to this secret letter from the U.S. Embassy, with assurances to the Americans that 'nothing in the discussions in the Diet commits the U.S. Government to any particular course of action'."

In 1957, as plans were made to revise the 1951 U.S.-Japanese security alliance, Prime Minister Nobusuke Kishi referred in the Diet yet again to this non-existent Allison-Shigemitsu agreement to try to substantiate Japan's claims of nuclear neutrality.

The United States became so concerned that the facts might be uncovered by the Opposition that it announced publicly that it did not intend to introduce nuclear weapons into Japan, and would consult Japan should it have to do so.

Peter Hayes says that documents obtained this year through the U.S. Freedom of Information Act confirm that the United States stored nuclear weapons in Japan at the time, but kept the special nuclear fissile material of the weapons offshore.

There was also the fear that the heat of the nuclear material might distort the bombs' mechanical workers.

In 1958, the introduction of "sealed pit" technology, combining nuclear and mechanical materials together, posed new diplomatic problems for the United States.

Japan was seeking a re-definition of its security relationship with the United States and a new deal was struck.

Under it, Japan obtained an agreement that there would be no nuclear weapons stored in Japan and that there would be consultations over major changes in U.S. deployment of forces in Japan or operations from U.S. bases in Japan.

"Consultation" as defined by the Pentagon in a report on Security Treaty/Japan September 5, 1958 Page 909, applied "only to nuclear weapons."

"There must be no obligation implied or explicit, to grant Japan a veto power," the document said.

Admiral Harry D. Felt, the U.S. commander-in-chief of the Pacific, defined consultation as "U.S. acceptance of a responsibility to consider policies, welfare and security of Japan before undertaking operations supported by U.S. forces or bases in Japan."

Hayes said that other declassified documents showed the U.S. stored nuclear weapons, mainly gravity bombs, on the Japanese territory of Iwakuni until at least 1966 without telling the Japanese Government.

Hayes says he also has information which indicates the U.S. stored nuclear depth-charges in Atsugi, Japan, in contravention of the revised 1960 security treaty.

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EDITORIAL CRITICIZES NUCLEAR POLICY

Christchurch THE PRESS in English 18 Dec 85 p 20

[Editorial: "N.Z. Repels Its Defence Allies"]

[Text]

The New Zealand Government has become the victim of its own propaganda. The Government has been determined to reassure New Zealanders that the A.N.Z.U.S. alliance remains effective, in spite of drastic changes in New Zealand's defence policies. To people outside New Zealand, and especially to the Governments of Australia and the United States — New Zealand's former partners in the alliance — the proposition is absurd. To many New Zealanders, it is clear that A.N.Z.U.S. no longer offers any assurance of security to New Zealand. This country's only significant allies have become wary.

Even the smallest Pacific States that once looked to New Zealand for leadership in their defence arrangements are distancing themselves from this country while they look for alternative arrangements. The Cook Islands Prime Minister has described his territory now as defenceless, thanks to decisions made by New Zealand, and on which the Cooks were not consulted. The King of Tonga has said American warships are welcome in his country's ports, as a way of making clear that Tonga is not New Zealand.

The New Zealand Government persists in depending on a myth: that since the A.N.Z.U.S. treaty survives in form, because none of the signatories has given the notice required of an intention to withdraw, the treaty is still effective. Such an attitude is nonsense. The United States Government, including such senior spokesmen as the Secretary of State, Mr Shultz, have made it clear that, for practical purposes, the treaty is dead. It will continue to exist on paper, perhaps in the hope that one day a more sensible New Zealand Government may attempt to reverse the present policies. In the meantime, New Zealand can expect few of the benefits in defence, or as a voice in international affairs, that full A.N.Z.U.S. membership conferred.

However much New Zealand Cabinet Ministers may stump their way round the world, New Zealand's voice has been reduced to a whimper without the backing of larger Powers. Military exercises may continue to be held, infrequently, with other States. Such exercises are unlikely to include much experience for New Zealand in its most vital defence requirements — the protection of this country and its seaborne trade from attack with the help of major allies. New Zealand will continue to seek expanded markets for its exports. Beyond Australia, no country now has any particular reason to look favourably on New Zealand.

In introducing the New Zealand Nuclear Free Zone, Disarmament, and Arms Control Bill last week, the Prime Minister maintained that it was "wholly compatible with all of New Zealand's international obligations." Nonsense. The Government, in pretending that A.N.Z.U.S. survives, asserts that the United States should continue to be ready to come to the aid of New Zealand, but should not be permitted to use much of its armed forces to do so. If the bill becomes law in something like its present form, New Zealand will have made the task of the

United States in honouring its A.N.Z.U.S. obligations all but impossible.

The really objectionable part of this pretence is that the Government does not spell out what has to be, in logic, the real effect of disassociating New Zealand from the United States. If New Zealand wants to have no part in a war that concerns the United States, out of the perfectly reasonable fear of being embroiled in a ghastly nuclear war, New Zealand should say quite clearly that it will not answer a request under A.N.Z.U.S. for support from the United States — or for that matter, from Australia. So far, New Zealand has said, in effect, that it cannot usefully call on the United States for support in the event of an attack on New Zealand. It should logically acknowledge the other side of the coin.

Of course, the New Zealand Government does not show the other side of the coin because it must privately hope that the United States, in the last resort, would ignore the nuclear-ban argument and act in New Zealand's favour. If the Government has no such private hope, it should be ready to concede that A.N.Z.U.S. is finished on both sides of the Pacific and tell the New Zealand public just so.

Mr Lange also said that the bill "is the Government's response to the obligation placed on it to adopt and support responsible measures of disarmament and arms control." Again, this is nonsense. The bill makes not a jot of difference to the number of nuclear weapons in the world. It makes no difference to the chances that those weapons may one day be used. If the bill has an effect, it is to increase, if only a little, the likelihood of war by introducing uncertainties into the South Pacific region. New Zealand is no longer a reliable ally of the West; the American presence in the South Pacific has been inhibited. It would be surprising indeed if other States with global pretensions did not see this as an opportunity to expand activities around New Zealand.

New Zealand may be able to get by if it plays the South Pacific Albania or Paraguay — too remote to be worth a second thought. Unfortunately, New Zealand will find it difficult to stay aloof from the real world. This country still retains something of the character of a prosperous farm in a hungry world. It remains one of the best stepping stones to the Antarctic in which the rest of the world is showing increasing interest. It remains a base off the vital east coast of Australia. New Zealand will continue to have value to others, even if it has no friends.

In sum, the new nuclear bill rigidly sets the inappropriate policies on defence matters by the Government in the last year. It also imposes on the Prime Minister the curious chore of announcing to the world whether he believes any foreign warship to be carrying nuclear weapons if it attempts to visit a New Zealand port. Such a requirement is an insult to countries such as the United States and Britain of whom New Zealand still pretends to be an ally. Small wonder will it be if former allies leave this country to go its own way, playing games with itself.

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NEW ZEALAND

CHRISTCHURCH EDITORIAL VIEWS U.S. TRADE DEFICIT

Christchurch THE PRESS in English 14 Dec 85 p 18

[Editorial: "Huge U.S. Trade Deficit"]

[Text] **The record foreign trade deficit in the United States in the September quarter is ominous. The deficit reached $US33.1 billion. The high value of the American dollar, which has made it harder to sell exports and easier to buy imports, and the generally low returns from agricultural produce are key factors in the deficit figure. The high value of the dollar is the more important element; but these are not the only influences at work.**

American productivity, that is the output of each worker, is still high; but the Germans and the French are now ahead. Nor does the United States have the clear technological lead it once had. It is possible to export more if wages are kept low, but the United States generally wants to compete in products in which quality and technological superiority count, and Americans do not want to join the low-cost countries. Yet if the United States does not have the technological edge, it has a severe problem. Some bad management decisions were also made, particularly in the car industry. Japan started producing cars which were more in line with what Americans wanted. All of these factors have contributed to the record trade deficit for the quarter.

After an initial experiment with a severe economic policy, and a continuation of the rhetoric of the policy without the substance, the United States has moved towards encouraging growth by creating demand through a less rigid control of the money supply. The fact that the United States did this helped avoid a world recession. Because Americans had money to buy, and because imports were cheaper, other countries, including New Zealand, have been able to export to the United States and their own economies have kept going. The engine of the United States economy has pulled the train of the rest of the world.

One question that arises now is whether the United States, seeing the continually rising trade deficits, will want to, or be able to provide the same stimulus to the rest of the world. Another question is whether the rest of the world, which has helped fund the internal American deficit that has made the growth possible, will be prepared to continue to invest in the United States. If the lending comes to an end, the value of the American dollar will fall and import prices there will rise. This will cause inflation and the response may be an austerity package in which the United States retreats from the aim of economic recovery. Although the American dollar is 20 per cent lower than it was at the beginning of the year, the trade deficit shows that the fall has not been sufficient to bring a trade balance closer. Present estimates suggest that the falling dollar will simply help to level of f the trade deficit. This is temporary comfort for the many countries that are selling to the United States; in the longer run, the fairly open doors for imports may get a push from a contracted economy. Such a change would renew fears of a world-wide recession in trade.

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NEW ZEALAND

GOVERNMENT 'MINI-BUDGET' PRESENTED 12 DEC 85

Overview of Measures

Auckland THE NEW ZEALAND HERALD in English 13 Dec 85 p 1

[Text] Sweeping cuts in import duties stole the limelight yesterday in a mini budget that was widely expected to contain little more than a package of relief measures for beleaguered farmers.

A dramatic move to make more than 500 consumer and other items duty-free was accompanied by an acceleration of moves away from import licensing and hints of more to come.

But for the farmer the package was confined to long-term tax changes designed to make it easier for uneconomic farmers to sell out to city and foreign interests.

The minister of finance, Mr Douglas, told Parliament the package would:

--Reduce cost pressures throughout the economy to the benefit of farmers and other producers.

--Assist in the process of adjustment by making it easier to both buy and sell farms.

But the government's political opponents were scathing about the lack of direct help for farmers.

The Leader of the Opposition, Mr McLay, called for the resignation of the Minister of Agriculture, Mr Moyle, and said it was a disgrace that farmers were being encouraged to leave their land.

He accused the government of washing its hands of agriculture, and said the tariff changes would do nothing for farmers in the short term.

Democratic Party leaders also attacked the measures, saying they would result in the government's losing seven or eight marginal seats in the next election.

However, Mr Douglas made it clear that the package was aimed at a medium term objective of bringing down inflation rather than providing any "quick fix" solution for farmers.

Besides discussing farming problems, the statement pointed towards even further government deregulation, commercialisation of state enterprises and greater flexibility in the labour market.

"Agriculture in New Zealand has a good future," said Mr Douglas in the statement.

But the proper function of government was to ensure that farming carried a minimum burden as a result of inefficiencies elsewhere in the economy and that the process of adjustment was not distorted by "inappropriate interventions."

Encouragement Away From Family Farm 'Implied'

Auckland THE NEW ZEALAND HERALD in English 13 Dec 85 p 2

[Article by Peter Freeth]

[Text] Encouragement of a move away from the small New Zealand family farm, the basis of the economy for a century, appeared to be implied in government economic measures announced yesterday.

Immediate reaction was that the government was trying to make it easier for financially hard-hit farmers to leave the land at a time when real farm incomes are falling to their lowest level in 25 years.

Far from putting any prop under farmers to keep them in business, the government seemed to be continuing its process of total restructuring.

No Let-up

The emphasis now, it appeared to some senior farm economists, was on trying to force a new farming structure on New Zealand with a move away from the smaller family property and towards larger less intensive farms with corporate rather than family investment.

In a statement accompanying the economic package, the Minister of Finance, Mr Douglas, acknowledged farming as New Zealand's biggest single export industry, but he made it clear that the policy of rapid structural change was continuing with no let-up.

The minister said ensuring a profitable future for farming was among the highest priorities, but he implied that this objective was to be achieved--at least to a degree--with fresh farming blood with access to its own sources of capital.

The government has looked hard at the option of loans at subsidised interest rates for farmers who are financially hard pressed, but it was made clear yesterday that that option has been rejected.

The Minister of Agriculture, Mr Moyle, said concessional lending could encourage farmers to become further indebted by allowing them to maintain a level of expenditure which their incomes could not sustain.

Furthermore, he said, concessional lending could delay a decision for those farmers for whom exit from farming was the only real option.

To most observers yesterday, the Government's economic package did nothing immediate to tackle the problems of inflation, high government spending and the internal deficit.

Take Time

It was widely conceded in the farming camp that in the longer term the liberalisation of imports through reduction of tariffs and licence on demand for a wide range of items would do a lot to redress the balance.

But it was still thought that the benefits to farming would take some time to flow through, and that in the meantime unemployment could worsen.

The hope in the farming camp, which has long urged a much speedier lowering of protection for secondary industry, was that in the longer term the import moves would have an impact on inflation, on interest rates and on the strength of the New Zealand dollar.

But to farm economists the government has made no direct immediate move to address those problems.

Foreign Farm Ownership Opened

Auckland THE NEW ZEALAND HERALD in English 13 Dec 85 p 3

[Text] Foreigners will be allowed to buy almost any New Zealand farmland under a policy announced in the economic statement yesterday.

The Minister of Finance, Mr Douglas, announced that the sections of the Land Settlement Promotion and Land Acquisition Act relating to foreign ownership and land aggregation would be repealed.

Instead, farm purchases will be placed under the scrutiny of the Overseas Investment Commission, which already supervises foreign investment in other sectors of the economy.

Criteria for the commission to follow for farmland will be considered by the cabinet, and are expected to be announced early in the new year.

Officials said they were likely to allow foreign purchases of any "conventional farmland with no particular special character."

Land with "special character," such as the shoreline and offshore islands and possibly land containing historic sites, are likely to be held in New Zealand hands.

Under the present law, foreigners have been banned completely from buying rural land, except in special cases.

Mr Douglas said the new policy would ensure that "sales of farmland of high amenity value are subject to a closer scrutiny and approved only if they are in the national interest."

He said the repeal of the law dealing with land aggregation was simply legalising what was already the case in practice.

In theory, farmers who want to buy additional land at present must seek the permission of the Land Valuation Board.

In practice, farmers have been able to set up companies to buy the extra land. No approval is required for any company with at least 10 shareholders buying its first farm.

Abolition of this law will remove the "nuisance value" involved in buying extra land, and thereby encourage farmers to buy out uneconomic neighbours to create more economic units.

Douglas: Inflation Main Target

Auckland THE NEW ZEALAND HERALD in English 13 Dec 85 p 3

[Text] The Minister of Finance, Mr Douglas, made it clear yesterday that his third economic statement of 1985 was aimed squarely at one large target--inflation.

He said it made no attempt at a "quick fix solution" for farmers hit by a cost-price squeeze.

He also refused to intervene to bring down the kiwi dollar, whose strength, by lowering the local value of foreign currency earnings, has hit farmers hard.

And he gave the clear impression that the dollar might not be too high anyway, particularly after sharp falls in the past two days which have brought it down from over 56c (US) on Tuesday to just over 53c yesterday.

'Symptoms'

"If you look at the problems of agriculture in particular, and also the export sector generally, their problems in the last 10 years and longer do not come from elements such as interest rates and exchange rates," he said.

"They are really symptoms of the problem.

"They [the problems] come from the fact that our inflation rate during the last government was one and a half times that of our trading partners, and that eroded the competitive position of farmers and exporters.

"That loss in competitiveness was only made worse by the drop in our exchange rate that took place year after year."

Revaluation Small

Mr Douglas said exporters who complained about the exchange rate should note that the kiwi dollar was now worth just over 53c(US) compared with just under 50c just after the New Zealand devaluation last year. That was hardly a big revaluation.

The kiwi was lower than before devaluation against the yen, deutschmark and pound sterling.

Only against Australia had it strengthened markedly, and that was only because the Australian dollar was so weak.

Interest Rates

He said the Government's interest rate policy was working, with rates falling sharply in the last few days. The government itself is expected to cut the rate on its "Kiwi bonds" after closing sales at the previous rate of 18.5 per cent for two years yesterday.

Interest rates on 90-day bills were down to 18 1/4 per cent, or about the same as under the Muldoon Government in 1982.

"I believe they will come down further," Mr Douglas said.

He said the removal of the interest clawback on farms sold within 10 years of purchase would help young people to get the opportunity to buy a farm, by encouraging older farmers, who had bought their farms within the last 10 years, to sell.

The removal of subsidies such as the development tax concession would also lower farm prices to levels which people could afford.

Economist on Package

Auckland THE NEW ZEALAND HERALD in English 13 Dec 85 p 3

[Text] The Government's package has been described by a leading economist, Professor Bryan Philpott, as a consistent progression of its economic strategy.

But Professor Philpott, of Victoria University in Wellington, said last night that it was the farmers who were continuing to pay for the free-market approach of the government.

"I do not think the [the farmers] are any further along the track. The only thing they can hope for--and I believe it will come--is a fall in exchange rates."

Without increased government assistance the farming sector could look forward to a "rash of mortgagee sales."

Farmers, he said, had misread the "root cause" of their problems, which they had considered to be tariffs and protection.

"They spent all their energy saying the whole problem was tariffs and protection," Professor Philpott said. "But the government has called their bluff and dealt with that, and they are no better off.

"The nub of the farm problem is related to unnecessarily high land values and associated farmers indebtedness..."

Professor Philpott would like to see the Rural Bank provide direct assistance to efficient landowners, and at the same time buy out those in trouble at a minimal capital loss.

The farms purchased could then be turned over--perhaps on a lease arrangement--"to people who know what they are doing."

However, another Wellington economist, Mr Rob Cameron, said last night that to "bail farmers out" would be to do irreversible damage.

The package was further evidence that the government intended to pursue its economic convictions, he said.

Mr Cameron, from the stock and sharebroking firm Jarden and Co, said: "It [the government] is continuing down the road it set some time ago.

"That is all it can do. I do not think it is possible to step off that road now."

Relief for farmers would come in the long term, he said. To provide hand-outs now would go against policy.

"The government is telling the farmers they have to stand on their own feet, but it is helping them in the short term to remove the obstacles in front of their gumboots."

Retailers', Manufacturers' 'Cautious' Response

Auckland THE NEW ZEALAND HERALD in English 13 Dec 85 p 3

[Text] Retailers, manufacturers and a consumer advocate last night all responded cautiously to the government's sweeping tariff cuts.

They doubted if it would lead to a New Year spending-spree after duty reductions took effect because most families were already squeezed by high interest charges, mortgage repayments and other costs.

But video dealers and electronic retailers cheered the package, predicting that it would lift sluggish sales in their sector once duty rates as high as 40 per cent were slashed to zero next month.

Announcing details of the new duty rates yesterday, the Minister of Trade and Industry, Mr Caygill, and the Minister of Customs, Mrs Shields, issued a list of about 500 products for which new rates will apply.

In a joint statement, the ministers said the goods were not made in New Zealand and included manufacturing inputs and consumer items.

Car Parts

They said the aim of the move was to lower costs and they were confident that once reductions flowed through to consumers price cuts "would be substantial."

Included in the goods are cameras (down from a normal rate of 17.5 per cent to zero), videos and audio gear (45 per cent to zero) and a range of car parts (from up to 35 percent to zero).

But while the duty shake-up means New Zealanders will have a greater range of good to buy, it could be a few months before the lower priced products reach the marketplace, according to the executive director of the Retailers' Federation, Mr Barry Purdy.

"It will take a little to work through," Mr Purdy said from Wellington.

He said the tariff reductions were not any better or worse than any other economic move of the government, but the lower duty would benefit consumers.

Mr Purdy said that because of the generally depressed economy, he doubted that the retailer sector, which had taken a battering in the past few months, would be welcoming hordes of new consumers.

Spent Well

And he did not believe that consumers would hold off spending cash until next month, giving retailers a bleak Christmas. Mr Purdy said New Zealanders always spent well at this time of year.

The director of the Auckland Manufacturers' Association, Mr John Whatnall, said factory executives might be concerned whether the reductions could persuade consumers to buy substitutes.

He said that while the government had seemed careful to cut duties on goods that were not made in New Zealand in order to protect local industries, competitive alternative products in the market could change customer preferences.

Exposure

If that happened, jobs and local businesses might be lost, Mr Whatnall said. His fears were echoed last night by a manufacturing consultant, Mr Graham Painter, who said the new policy reflected increasing exposure for New Zealand producers against imported competition.

Mr Painter, the principal director of Trade Consultants Ltd, an advisory service to hundreds of manufacturers, said firms in trouble might face problems, but so too would innocent victims.

For consumers, the tariff cuts are a mixed bag, according to the assistant director of the Consumers' Institute, Mr David Russell.

"It is probably good news if you have money," he said from Wellington.

"But most consumers are struggling with high interest rates, they have just been slugged with power price rises and they are having difficulty just meeting basic needs like clothing, food and housing.

"We would just like to see the savings passed on to consumers and not pocketed by importers or middlemen."

Editorial on 'Cold Blast of Rogernomics'

Auckland THE NEW ZEALAND HERALD in English 13 Dec 85 p 6

[Editorial: "More Ruthless Reform"]

[Text] In some cases, said Mr Douglas in yesterday's economic measures, it may be better for farmers to sell their properties than to continue to struggle with debt. With such words and with the general drift of his statement, the cold blast of Rogernomics formally reverses half a century of what has grown to be almost folklore in New Zealand farming.

It has been clear enough that this government's policies--its general more-market approach--would apply also to farming. But for as long as most people can remember, the Labour Party has upbraided policies that pushed farmers off their land in the Depression of the early 1930s. Now a new Labour team adopts what looks like a forced-draught approach to the gentler amalgamations that have gone on for years.

Out goes the law relating to the aggregation of farmland and the purchase or lease of farmland by foreigners, although consent from the Overseas Investment Commission is still required. Away goes the 10-year clawback of interest claimed as tax deductions, and away goes the $10,000 limit on losses claimed through development expenditure, at least for livestock and arable farming, though not horticulture.

And in, presumably, go the Queen St farmers and the overseas investors to sink their eager money into farm property and help the poor strugglers to depart. At this point, however, doubts intrude.

Why would foreign and local money rush into enterprises that are failing now? Will the future of farming--claimed by Mr Douglas, amid Opposition derision, to be "good"--look like offering a sufficient return on the large amounts of capital needed? Just possibly, with a certain amount of faith in exports, hope in a falling dollar, and charity in the tax laws. And the greatest of these, who knows, may be charity.

A cold blast blows elsewhere in the economy--with major potential, however, for holding down internal costs and thus assisting farming--in the form of import liberalisation. Tariffs on goods not made in New Zealand will largely vanish next month, a move that affects several hundred tariff categories. The general programme of tariff reductions will begin in July, and 343 categories of commodities now confined to quotas will be moved to licence on demand next year. New Zealand Steel looks to be facing a severe test.

Lamentations from some quarters are liable to be loud. Industry has made dire predictions of unemployment to come, and Mr Douglas seems not to dispute it. Indeed, he contrives to sound annoyed at the level of the wage round and says that jobs and businesses are at risk next year as a result.

So what does he offer the unions? A review of the total industrial relations system, beginning with a green paper next week (only a year late) identifying the main question on which decisions will be made. And a few breaths later he says that those in agriculture, including industries relying on the farmer, must have incomes based more rationally on farming returns.

The more-market approach will not, presumably, extend to voluntary unionism, but it should be interesting to see what Mr Douglas has in mind. He has unwrapped a statement of intent about changes in the public sector designed to make state trading enterprises run with commercial efficiency, including the removal of "unnecessary barriers to competition." Private enterprise will be eager to learn more.

Economically, Mr Douglas is losing revenue with several of his moves at a cost to the public and probably with added difficulties in deficit management. Politically, he seems likely to upset, to put it mildly, as many people as he is likely to please. He is treading a high-risk path in pursuit of his beliefs, and at least the stony courage of the man, if not always his management, deserves to be recognised.

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REPORTAGE ON 'DRAMATIC' SLIPPAGE OF NEW ZEALAND DOLLAR

Factors Viewed

Auckland THE NEW ZEALAND HERALD in English 13 Dec 85 Sec 2 p 1

[Text] The New Zealand dollar yesterday suffered its largest single day drop against the United States dollar since being floated in March in busy trading on the foreign exchange market.

The kiwi closed at 53.35 USc, down 1.83c or 3.31 per cent from Wednesday's close of 55.18c.

Yesterday's close was the lowest against the American dollar since September 20 when it stood at 52.85c.

The kiwi has fallen 3.13c or 5.54 per cent against the American dollar since Monday when it closed at 56.48c.

At the close yesterday the cross rate with the Australian dollar was 77.99c, a fall of 3.32c on Wednesday's close of 80.67 and a fall of 5.4c or 6.48 per cent since Monday when the cross rate closed at 83.3c.

Varied

The Reserve Bank exchange rate index closed yesterday at 67.7, down from 69.6 on Wednesday and 70.9 on Monday. The close was the lowest since August 19 when the index closed at 67.8.

Dealers said the dramatic change of fortune for the kiwi was a reflection of a change in market sentiment towards the currency. Several factors had brought about the change but the main ones were a lowering of interest rates and a lowering of inflation expectations.

Description of the market varied from dealer to dealer. Some said there had been panic selling in a chaotic market. That was described as rubbish by others who said there had been good two-way business mainly from corporates moving money about.

Rumours of massive disinvestment from Japanese investors were also discounted. Dealers said it was true that some Japanese money had been moved out of the country, but that was not all that unusual as the Japanese were always moving money about the world.

Yesterday's outflows were not very large in the wider scheme of things.

Dealers were wary of predicting a bottom for the kiwi, especially those who were predicting a few weeks ago the kiwi would strike parity with the Australian dollar by Christmas.

There was a fairly widely held view that the bottom had yet to be reached but was probably not too far from present levels. The bottom was likely to be around 51.5USc and that could be reached in a day or so.

Tender

Then there would inevitably be upward bounces after that, but the currency would probably eventually settle at around 52 or 53c.

Perhaps the biggest single factor affecting the value of the kiwi, at least in the short term, will be the result of the government stock tender, the results of which will be announced today.

Most observers were expecting a fall in rates on the last tender. That expectation was reflected in trading on the secondary market.

The 1991 stock yesterday was at 17.1 per cent which compared with 17.8 in the last tender.

The 1993 stock was at 16.9 per cent compared with 17.2 in the tender.

The 1989 stock, being offered for the first time, was trading around 17.5 per cent.

That meant the stock was being sold "short" on the market, a practice which some dealers said was fraught with danger. If a single investor was to take all that stock in the tender, as happened in the tender before last, investors "shorting" yesterday would have no stock with which to honour their undertakings.

The likelihood of one investor taking all the stock in the tender was considered unlikely, but it was always a possibility now the precedent had been set.

Westpac

Short-term rates on the money market firmed with the call rate rising to as high as 22 or 23 per cent. The reason for the rise was the settlement of Treasury bills and government stock outstanding from the last tender. About $200 million of that stock has to be settled today.

That should mean rates remain firm today, dealers said.

Dealers said the rise in the call rate was just a "hiccup" and the rate would soon fall next week. The 90-day commercial bill rate was at 18.5 to 18.75 per cent, little changed from Wednesday's levels.

Further evidence of falling interest rates was provided by Westpac Merchant Finance Ltd which cut rates offered on debenture stock by up to 3 per cent.

The big cuts were made in the short-term stock. The six months then at call rate was cut from 21 to 18 per cent while six-month stock was cut from 21 to 19. One-year stock was cut by 2 per cent to 19 per cent but longer terms were cut only by 0.5 per cent.

Mr Ken Littlejohn, Westpac's general manager treasury, said a downward trend in interest rates was gathering momentum.

"Our reductions are in line with those that have occurred in the government stock and commercial bills markets in the past few weeks," he said. "Factors such as the lower rate of inflation, decreased borrowing demand resulting from high lending rates and the expected downturn in the economy have led to our decision to reduce our borrowing rates."

Mr Littlejohn said he expected other institutions to follow suit.

Impact Analyzed

Auckland THE NEW ZEALAND HERALD in English 17 Dec 85 p 1

[Article by Simon Collins]

[Text] Farmers and other exporters received a windfall which could be worth hundreds of millions of dollars from the dramatic collapse of the New Zealand dollar yesterday.

But the sudden dive, which took the kiwi currency down to near its lowest level ever, will mean everyone else will have to pay higher prices next year.

The drop in the index value of the dollar yesterday, 8.3 per cent, is one of the biggest on record for [illegible] change in a single day for any currency in the world.

One foreign exchange dealer said it seemed to take New Zealand into the category of a "banana republic."

But the Associate Minister of Finance, Mr Prebble, said he was certainly not concerned, and said the fall came at an ideal time for this season's farm exports, which were just getting under way.

Within minutes of foreign exchange markets opening yesterday morning a wave of selling took the kiwi unit down from US52c to just over 48c.

Trading remained volatile for the rest of the day, but the kiwi ended up at 49c (down 3.6c or 6.8 per cent in the day), or 71.7c Australian (down 5.2c, or 6.8 per cent).

In the past week, it has fallen by 13.9 per cent against the Japanese yen and 9.5 per cent against the British pound.

Dealers said there had been no massive outflow of foreign capital, although some money did flow out to take advantage of interest rates in Australia which are now higher than in New Zealand.

Rather, the major forces were New Zealanders rushing to "cover" overseas loans, and to buy foreign currencies before leaving for Christmas trips, before the dollar fell even further.

Many companies whose overseas borrowing was blamed by the government for driving the dollar up in the first place, by bringing capital into New Zealand, were caught by the sudden drop and will now have to pay back far more in New Zealand dollar terms when they repay their loans.

Benefit

Conversely, farmers who sell their produce at the lower exchange rate will get far more New Zealand dollars from now on than they have up to now.

The chief economist of the Meat and Wool Board economic service, Mr Rob Davison, said every 10 per cent drop in the dollar meant a 13 per cent increase in farm-gate returns for beef, 20 per cent for lamb, and 120 per cent for mutton.

This is because killing and transport charges do not vary much, so the farmer gets almost all the benefit, or pays almost all the price, of changing exchange rates.

Meat Schedule

He said the service's estimate at the weekend of a 21 per cent fall in gross farm incomes this year included only a 3 percent drop attributable to removal of supplementary minimum price support. The rest was almost entirely attributable to the high dollar.

The executive director of the Meat Industry Association, Mr Peter Blomfield, said the fall in the dollar would mean that the first meat price schedule to be set by private companies under the new system of meat marketing, on Friday, would be higher than it would have been.

The schedule will apply from Saturday, when the companies officially take over meat marketing from the Meat Board.

Dairy farmers will not see similar immediate benefit, because the Dairy Board had planned to run down its reserves by $400 million this season to maintain its payout to farmers. Now its reserves are expected to diminish by between $125 million and $150 million less than before.

On the other hand, the 14 per cent drop in the exchange rate index in the past week will push up the cost of imports by about 16 per cent.

Economists said that if this increase is passed on fully in retail prices the overall effect on the consumer price index would be an increase of 3 to 5 per cent.

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NEW ZEALAND

EDITORIAL ON IMPACT OF CLIMBING AUSTRALIAN INTEREST RATES

Christchurch THE PRESS in English 19 Dec 85 p 14

[Editorial: "Australia's Opening for N.Z."]

[Text]

Just when the interest rates in New Zealand seem to be edging downwards and the value of the New Zealand dollar is getting to a point at which exporters believe they can live with it, interest rates in Australia have started climbing markedly. Prime interest rates in Australia have increased to 21 per cent: that is the rate at which trading banks will lend to borrowers who are deemed to be a first-class risk, such as substantial corporate businesses for short terms. Some overnight money has gone higher. Banking advisers are reluctant to say that rates will go no higher. In short, it seems likely that Australia is in for a dose of the high interest rates which New Zealand has found so bitter over the last few months.

The cause of the rise in interest rates in Australia is similar to the cause in New Zealand; the Government is running a very tight monetary policy. It may be expected confidently that the effect of the tight monetary policy and the rise in interest rates in Australia will have the same effect as the same policy had in New Zealand: the value of the Australian dollar will be driven up. The effect may be even more marked in Australia because the inflation rate there is 8 per cent which means that the real interest rate, that is the difference between the inflation rate and the actual interest rate, is between 12 per cent and 13 per cent, making it about the highest in the Western world. This is bound to attract overseas investors in large numbers and the value of the dollar, whose recent fall has given Australian exporters a boost, will rise again. This will mean, within Australia, that local manufacturers will lose out to imports, and Australian exporters will find it hard to be competitive.

In New Zealand, exporters will find the higher value of the Australian dollar and the lower value of the New Zealand dollar to their advantage. Australia is New Zealand's biggest market for manufactured goods, and the sale of these goods, with their added value and their potential for employment, has the most widespread effect on the New Zealand economy, even though the over-all value is smaller than that of the exports of farm produce.

Although the advantage will lie with New Zealand exporters for a while, New Zealand must hope that the Australian economy will remain in good heart, because the New Zealand economy is now so locked into the Australian economy that any downturn in Australia is bound to have a bad effect on New Zealand. The Australian growth rate has been strong; real growth, when inflation is discounted, runs at between 4 per cent and 5 per cent. The big problem that Australia is going to face is that its balance of payments seems certain to worsen as the dollar rises in value and imports flood into the country.

Although the Australian economy is more diverse than the New Zealand economy, and is a much larger economy, it can sometimes be forgotten that Australia is still fundamentally an exporter of agricultural produce and an exporter of minerals. The world prices for such exports .are generally poor. In quantity, Australia's exports of coal, for instance, have been good; but the prices have been low. In a way, the resources of Australia have helped to maintain an attitude that better economic times are never far away. New Zealand, with fewer resources, took the plunge into worse times sooner.

One difference in economic management between the two countries arose out of the economic summit meetings that were held in both countries. In Australia, an accord was reached between the unions and the Government under which wages were indexed to inflation. This brought considerable industrial peace to Australia and modified wage claims.

The New Zealand economic summit meeting disbanded without any such accord. The present wage round has meant high settlements and a number of strikes. However, the indexing of wages in Australia has meant that, in some industries, the wage rates have made Australian manufacturing uncompetitive. The Government has decided to hold the money supply as tight as possible, but is being blamed for having a strict monetary policy without matching it with a strong wages policy. For the time being, New Zealand exporters can score off Australia's problems.

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CSO: 4200/479

EDITORIAL LAUDS GOVERNMENT ECONOMIC DECONTROL STEPS

Auckland THE NEW ZEALAND HERALD in English 17 Dec 85 p 6

[Editorial: "Undoing the Errors of 1938"]

[Text] Last December and now the present month have seen the fourth Labour Government take long steps away from the strangling web of controls in which the first Labour Government wrapped the country. The more fundamental of the recent moves, whose significance may not even now have dawned on many people, was the restored freedom to buy foreign exchange from December 21 last year after 46 years of restrictions.

It was on December 6, 1938, that the Savage Government, having inflated internally for three years and thus encouraged a flood of imports, finally faced the consequences of having so depleted the overseas reserves. It suspended the statutory right of New Zealanders to obtain sterling from the Reserve Bank and imposed drastic controls on imports.

During the intervening 47 years, import controls have varied in degree and extent, but no one has yet gotten rid of them entirely. Mr Douglas' massive reduction of tariffs, announced six days after the 47th anniversary of his precedessors' controls, represents a bold step on the road towards import freedom for many goods which, so governments may have intended were discouraged from reaching our shores because of artificially high, tariff-boosted prices.

The floating exchange rate from March 4 this year is apparently seen as the (somewhat lagging) regulator of internal demand vis-a-vis overseas funds.

If Mr Douglas can through the exchange rate, and without controls, achieve a broad balance between the demand for imports and the ability to pay for them, well and good. If he can also keep exchange fluctuations within acceptable limits, so much the better; the country would return to what is, historically, a more normal state of affairs. The past half-century or so could then be seen as time when New Zealand took a wrong turning and eventually realised the fact.

For years New Zealand has preached against agricultural protectionism by others, while practising rigid protectionism, particularly industrial but also partly agricultural, of its own. Mr Douglas' new move should give us improved credentials to argue the case of free trade, as we shall no doubt be eager to do in the new round of talks being shaped by the General Agreement on Tariffs and Trade.

From next month New Zealand's surviving tariffs will be clearly protectionist, which is presumably the accepted though regrettable function of a tariff. No more will tariffs be merely revenue measures, aimed apparently at import control through price-rationing. Let us hope that Mr Douglas can manage to make the shades of 1938 stay exorcised and that he can deal with even more of them.

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GREENPAPER SEES GOVERNMENT PULLOUT FROM INDUSTRIAL RELATIONS

Auckland THE NEW ZEALAND HERALD in English 18 Dec 85 p 1

[Text] Fundamental changes which could see the government withdraw from its key role in industrial relations are foreshadowed in a long-awaited green paper, released yesterday.

The discussion document, originally due to be published a year ago, questions whether state-enforced national awards should continue.

It also suggests that the present system where a union, once registered, has blanket coverage of all workers in its occupational group, could be replaced by American or British systems which take the Government out of endorsing union coverage.

But it backs away from employer calls for a return to voluntary unionism, and says the issue is what form of compulsory unionism is appropriate.

Common Rate

The green paper states that "the most basic issue to be addressed in examining the system is the question of whether to retain the national award system."

It says the system was created for three reasons:

--To provide a common minimum pay rate for each kind of job, so that workers do not compete among themselves to drive down wages, and employers compete on factors other than wages.

--To distribute the fruits of production to the greatest number of workers, in what the paper calls "New Zealand's egalitarian tradition."

--To avoid strikes and resolve a large number of disputes at once.

However, it notes that pay increases under each award tend to feed through into all other awards, because of rigid relativities.

"The ability of the employer to pay is not accommodated by this process," it says.

Recognition

The solution, it suggests, could lie in replacing awards with narrower agreements similar to present "second-tier" settlements affecting only part of an industry.

A closely related issue is whether unions themselves should continue to cover all workers in each industry.

At present, unions win coverage of workers by what the paper calls the "gold rush" method, by which the first to stake its claim to a new kind of work wins all.

It suggests two other options:

--The British system, in which union recognition is left for negotiation between unions and employers.

--The American system, in which unions seeking coverage of a group of workers hold ballots at each place of work to let them choose which union they want. The winning union could then cover all workers in a single workplace.

The paper says less state involvement, through one of these options, would make the New Zealand system more compatible with international conventions.

Limited

But it also warns that the result could be that stronger, more efficient unions would gain control.

"Without the traditional protections and guarantees from the present system, the ability of some unions to exist may become severely limited," it says.

It deliberately avoids discussing the principle of compulsory membership of a union once its stake to a group of workers is established.

"The issue is not so much whether union membership should, as a matter of principle, be compulsory or voluntary across the board," it says.

"Rather, the issue centres on the form of those arrangements [that is, whether a union ticket is required before getting a job [word indistinct afterwards], their coverage and the way they are arrived at.

"The present arrangements provide for collective decision-making across the union's total membership on a union membership clause which creates an obligation to join after the worker has been employed.

An Anomaly

"Other options include making union membership compulsory by law, or leaving it to be determined entirely by negotiation between unions and employers.

Finally, the paper says it is an anomaly that agreements between two private parties should be enforced by Labour Department officials, and suggests that enforcement should be left up to unions and employers themselves.

But it notes that this could be done only if unions were given the right to look at employers' time and wage records, to make sure they carried out agreements.

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EDITORIAL DOUBTS CAPACITY OF INDUSTRIAL RELATIONS GREENPAPER

Auckland THE NEW ZEALAND HERALD in English 18 Dec 85 p 6

[Editorial: "Merely a Framework"]

[Text] The Government has asked some of the country's most pressing economic questions in its green paper on industrial relations published this morning. Had it asked them a year ago, when it promised, there might be cause for hope that Labour's courage would meet the ultimate test--its capacity to tackle the monopolistic privileges, under statutory protection, of its most powerful political backers.

At mid-point in the electoral term, it must be counted unlikely that the green paper will preface significant reform in the labour market.

Yet the potential damage which such failure could wreak on a programme of revitalising the economy on competitive market principles is probably well apparent now to the Treasury ministers at least. Mr Douglas and Mr Prebble have lately lamented the inflexibility of settlements in the current wage round, which they had presented as a renaissance of free bargaining.

Their manuals of market theory had told them that bargaining without Government interference would enable those buying and selling labour to make wage settlements reflecting the productivity and potential profitability of each industry. But the manuals probably do not contemplate a system in which trade unions enjoy industry-wide monopolies on the supply of labour, in which wages are standardized, by national awards and all remain shackled, psychologically if no longer legally, to historic relativities.

A new system of agreed wage-fixing has been sorely needed ever since the 1968 nil wage order and the collapse of strike-minimising compulsory arbitration. A return to that centrally ordered system would probably be incongruous amid the current drive for wage flexibility; but something of its orderliness seems preferable to the present growing predilection for strikes and lockouts in the course of negotiations.

In its considerations of the questions posed in the green paper, and in the Opposition's proposals on the subject this week, the electorate should remember that wage-fixing is a form of contract pricing and should be subject to the same rules.

The price of labour should be agreed fairly and voluntarily between those buying it and those selling. The term of the contract should be acceptable to both sides, rather than the common one-year which applies at present, and should not be broken within that term without legal redress.

In industrial relations that would be a good start.

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NEW ZEALAND

GOVERNMENT INTRODUCES NEW OIL EXPLORATION POLICY

Auckland THE NEW ZEALAND HERALD in English 17 Dec 85 p 1

[Text] **The Government is introducing a new oil exploration policy which it expects will attract bids from around the world.**

The new regime, which ends the October 1984 halt to issuing new exploration licences, will award licences to those firms offering the best work programmes.

Fifty licence area blocks will be offered in the Taranaki offshore basin in which the Maui field is located.

The Government, under the policy announced last night by the Minister of Energy, Mr Tizard, will take an 11 per cent free "carried" interest in all new exploration ventures.

As well, the Crown, through the Ministry of Energy, may contribute 15 per cent to the cost of a venture to get a 26 per cent stake in any licence issued.

The Government is abolishing the much-criticised energy resources levy of 45c a gigajoule for all gas discoveries made in any new field.

The 12.5 per cent royalty on the selling value of any petroleum discovered remains unchanged.

Fees and rentals payable for applications and licence areas will be increased.

The Crown's interest in all cases will be administered by the Ministry of Energy. The state-owned Petrocorp will act as its agent, though Petrocorp may compete with other applicants for licences.

Mr Tizard said he expected the policy to remain in place for five years.

Formulations of the policy had been a long job and took into account 30 written submissions from oil companies, he said.

Thirty-three onshore and 17 offshore wells had been drilled in the past five years.

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CSO: 4200/479

NEW ZEALAND

FARMERS EXPRESS CONCERNS IN MEETING WITH DOUGLAS, MOYLE

Auckland THE NEW ZEALAND HERALD in English 17 Dec 85 p 2

[Text] The Minister of Finance, Mr Douglas, and the Minister of Agriculture, Mr Moyle, weathered an occasionally stormy meeting of farmers at Whakatane last night.

More than 700 farmers from throughout the Bay of Plenty turned out on a wet night to express their concern and hear the ministers.

Many of the farmers who spoke expressed concern at the effect of the economic package on young farmers and the belief that the farming sector was suffering more than other sectors.

Mr Douglas said the government could not return to the "handout policies" of the past.

"Farmers want long-term solutions," he said.

The government had taken control of the monetary situation and the reduction of the deficit and the lowered inflation rate would help farmers.

"If farmers are to compete on the market we have to get inflation under control and I believe we are," Mr Douglas said.

The government's economic policy was not the total answer but gave direction and allowed flexibility to farmers.

Mr Moyle said the government wanted to avoid a mass exodus of farmers off the land.

"I believe with the reforms in place and with more of a market approach we will again require large numbers of sheep and lambs," he said.

Mr Moyle reaffirmed his comments that no competent farmer would be forced off his land, but "competence extends to the area of financial management."

--Mr Douglas spells out livestock value changes--page 16.

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CSO: 4200/479

NEW ZEALAND

UNION HEAD, FARMERS ATTACK GOVERNMENT ECONOMIC PLAN

Wellington THE EVENING POST in English 14 Dec 85 p 3

[Text]

National union heads have criticised the Government's economic statement as an attack on workers.

The president of the Federation of Labour Mr Jim Knox said it was of little help to the genuine working farmer but was being used as an underhand attack on working people.

The economic statement outlined the Government's plan to review industrial relations legislation and the principles on which it was based, and Mr Douglas said the first step would be the publication of a Green Paper next week identifying areas for important decisions.

At risk

"During the current wage round we have witnessed a high level of settlements, and a lack of flexibility between awards, which between them will put jobs and businesses at risk next year," said Mr Douglas.

"This unsatisfactory outcome owes a great deal to both employers and unions looking back at a period of rapid economic growth and a high rate of inflation, not forward to very different conditions in the months ahead."

Mr Knox criticised Mr Douglas's comments as a "cheap shot" and said that for the first time since 1981, workers had a wage rise that would go some way towards making up for price increases.

In particular, unions in the wage round had won significant improvements in the position of the low paid, he said in a statement. But now the minister had hit out at workers and tried to pass the blame onto them.

Angry Canterbury farmers were given little hope at a meeting in Christchurch last night that the Government would waver from its economic policies.

The Ministers of Finance, Mr Douglas, and Agriculture and Fisheries, Mr Moyle, defended the Government's economic strategy, and in particular the economic package announced on Thursday. They emphasised that the farming industry could not be divorced from the whole economic scene.

Questions

About 270 farmers attended the meeting, held in a grandstand at the Addington showground, and called by the Government to allow the Ministers to explain first-hand the economic measures and their implications to farmers.

The main thrust of questions by farmers concerned the short term effects of the policies on the livelihood of farmers and the flow-on effect to rural communities.

An Oxford farmer, Mr Robert Johnston, said the Government's latest economic package contained no human element.

Mr Douglas said humanity was about fixing the problem, not partly fixing it and allowing the problem to get worse. — NZPA

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CSO: 4200/479

NEW ZEALAND

COMPUTER FIRM ENTERS CHINA MARKET

Wellington THE EVENING POST in English 18 Dec 85 p 6

[Text] **The Lower Hutt computer software company Progeni has made a multimillion dollar breakthrough into the Chinese market with the forming of a joint venture company with the Beijing Institute of Aeronautics and Astronautics.**

Progeni's marketing services manager Mr Trevor Diamond said the venture would lead to multimillion dollar business with contracts for the manufacturing of software products for distribution in educational institutes throughout China.

He said there were already several ideas for contracts although nothing was signed.

Mr Diamond said China was looking to expand its high-technology frontiers and the BIAA would provide hardware expertise for the venture and Progeni the software.

He said if Progeni manufactured equipment through the BIAA, that organisation could use a lot of Progeni's equipment.

Mr Diamond said while there was immense market potential in China there was also the potential to expand into South-east Asia.

The new company China Progeni Ltd will be owned on a 50-50 basis by the two organisations and will develop and market the fourth generation learning system associated with the Poly computers.

Progeni will be responsible for marketing outside China on a worldwide basis, its managing director Mr Perce Harpham said.

Mr Harpham said China had a great deal of experience in applying technology to education with about 800,000 students being involved with their television universities.

He said the BIAA was one of the most important research and teaching institutions in China with research into everything from fighter aircraft to laser technology being carried out.

Progeni had first established contact with the BIAA in June and later exchanged delegations.

The joint venture should be fully operational about the middle of next year, Mr Harpham said. Early in 1986 about six Chinese computer people will start work with Progeni in Lower Hutt to develop a Chinese "friendly version" of Progeni products.

This will use Chinese characters and terminology and will allow teachers and trainers to develop courses without becoming computer programmers.

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CSO: 4200/479

CPP FOUNDER SAYS SNAP POLL WILL POLARIZE NATION

Quezon City ANG PAHAYAGANG MALAYA in English 21 Nov 85 pp 1, 2

[Article by Desiree Carlos: "Snap Poll Will Polarize Filipinos, says 'Joema'"]

[Text] Jose Maria Sison, alleged chairman of the Communist Party of the Philippines, now detained at Fort Bonifacio, yesterday predicted that the holding of the snap election will only worsen the political and economic crisis and thus speed up the revolutionary process in the country.

He also said:

--If President Marcos indeed called the snap election without US prodding, he is out to preempt so-called political reforms, and the US attempt to project his successor;

--The Opposition is at a disadvantage if election is held earlier than scheduled because they will have little time to prepare;

--Marcos can choose his opponent through the selection of the Dominant Opposition Party (DOP); and

--The US wants a president and vice-president who are categorically for the US military bases beyond 1991.

Sison made the observations in a statement furnished Malaya.

"A sham reelection of Marcos through fraud and terror will cause the intensification of the revolutionary armed struggle, especially because Marcos is under US orders to escalate armed counterrevolutionary actions. His 'fresh mandate' is supposed to warrant a more violent anti-people and anticommunist rampage," Sison said.

Sison also foresees the possibility that the middle strata of society will eventually lean toward the armed revolutionary cause.

The most exploited and oppressed sectors of society -- the workers and peasants -- pushed against the wall by increasing repression and their loss of faith in government, may eventually support the revolutionary front, Sison said.

Members of mass organizations, Sison said, will most likely suffer more repression if they do intensify their legal democratic struggles.

If this happens, most of the legal activists would also swing to the armed struggle, he added.

If the US officials' claim that Marcos called for a snap election on his own initiative is true, Sison said Marcos may then be trying to preempt possible US attempts to put up a contender to the presidential throne.

Sison said the snap election is "too much of a surprise attack and a swindle" and the Opposition stands no chance at winning because Marcos has control of the election machinery; election rules, the Commission on Elections, government resources, military and paramilitary forces and the majority of the mass media.

"The sooner the presidential election is held, the more disadvantageous it is for the opposition parties which would be better off if given time to test and develop their mettle in the local elections first," Sison opined.

He, however, warned the Opposition that Marcos himself can choose his opponent for the presidential seat through the selection of the dominant opposition party. If Unido gets the accreditation as DOP, then former Sen. Salvador Laurel might get the presidential nomination from the Opposition. Sison said that if the Nacionalista Party gets the DOP accreditation, then former Foreign Affairs Minister Arturo Tolentino might be Marcos' opponent.

Sison, however, said that the opposition candidates should be chosen on the following criteria: "adherence to anti-fascist, anti-imperialist and anti-feudal demands; consistent struggle against the regime; individual competence; brilliance and uprightness; ability to get the broadest support within the Opposition and among the people; and access to resources for running an effective campaign.

Whether the US is for or against the holding of snap election, Sison noted it silence on Amendment 6, the repeal of modification of which it earlier demanded.

"Obviously, the US wants to retain Marcos or have his surrogate as chief puppet beyond 1987; he would have the autocratic authority to sign (possibly in 1988 when the current five-year agreement ends) an entirely new agreement extended the life of the US military bases beyond 1991," Sison said.

MANILA (AFP)--Philippine communist insurgents have denied US reports that they were receiving Soviet aid but confirmed they were actively seeking material and political support from abroad.

A statement of the National Democratic Front, a clandestine leftist alliance, published by the weekly WE Forum said "no offer of assistance has come from that direction and neither have we received any (aid)."

The NDF, led by the banned Communist Party of the Philippines and its estimated 15,000-strong New People's Army was reacting to US intelligence reports of increased Soviet and and contacts with them.

The NDF has made an open call to all revolutionary and progressive parties, movements, organizations, groups, individuals and even governments throughout the world to extend political and material assistance," said the statement.

The CPP-NPA, founded in the late 1960s, is heavily influenced by Maoist ideology and military strategy but is widely considered an indigenous movement that grew without any notable foreign support.

Its rapid expansion in the last two years, when the economy nosedived and opposition leader Benigno Aquino's August 1983 murder sparked political turmoil, has apparently caused financial problems. The CPP organ The Nation recently called on party members to be frugal and practise simple living.

Meanwhile, the Business Day newspaper published an interview with NDF spokesman Antonio Zumel, a former newsman who went underground in 1972 when President Marcos launched over 8 years of martial law.

Zumel reiterated the left's wait-and-see position regarding a planned snap presidential election set for Feb 7 and was non-committal on the question of participation or support for an opposition candidate.

President Marcos, whose current term ends in 1987, is seeking a fresh mandate after 20 years in power, citing the insurgency and economic crisis as the urgent problems he has to solve with a new vote of confidence.

"We're watching developments so that we know how to advance the people's interests. Whether (Mr Marcos) calls an election or not, our work goes on," Zumel said, adding that he personally believed there will be no snap poll.

On possible support for a candidate, Zumel refused to individual assess Salvador Laurel, Corazon Aquino and Jovito Salonga, who are considered the top contenders to become the divided oppositions common candidate.

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CSO: 4200/371

OPPOSITION COLUMNIST SEES CORY CANDIDACY AS TOOL OF OTHERS

Quezon City ANG PAHAYAGANG MALAYA in English 19 Nov 85 pp 4, 6

/"Politics and Politicos" by Ernesto R. Rodriguez: "Cory Aquino's 'Candidacy' Has no Chance to Prosper"/

> /Text/ "The problems in the world have their roots in injustice, intolerance, greed and dominance by the strong... The solution to these problems rests not in man's acquisitive nature but in his sense of justice and sense of community." Imelda R. Marcos, before the United Nations.
>
> "This, then is the man you saw on television the other night and now let me ask you -- and let me hear your answer loud and clear -- did Marcos sound like a man who will ever allow himself to lose power by election? No? And why should we be surprised at that? No long term dictator in history has ever lost power by election." Raul S. Manglapus, before the Movement for a Free Philippines.

The MALAYA last Saturday carried a story by staffmember Larry Sipin ("'Delicadeza' for PSBS") stating that "leading opposition potential standard bearers, including Mrs Corazon C. Aquino, yesterday withdrew from further participation in the process of choosing a single opposition candidate in a snap presidential election."

The item quoted a statement of Mrs Aquino on the matter and later mentioned that former Sen Salvador Laurel and MP Eva Estrada Kalaw "also inhibited themselves from participating in the selection process."

Lest the impression be created that, at least with respect to Doy Laurel, he too had only inhibited himself, only after Cory Aquino had set the example, I wish to state, in the spirit of fairness, that as early as last Feb 15, the MALAYA had published an item, entitled "Palma new NUC head," which said that MP Cecilia Munoz Palma, retired Supreme Court justice, "was elected by the Batasan opposition members in a caucus after former Senator Salvador H. Laurel, stepped down as NUC chairman."

Whoever masterminded the "Cory Aquino for President Movement" should have known that the exercise was doomed from the beginning. It was, as they say, "too little and too late." And the tragedy of it all is that it had to happen to one of the noblest characters in our history as a nation.

The Filipino people have embraced Cory Aquino with that special kind of warmth traditionally reserved for the survivor. In her case, for the surviving widow of the foremost and undisputed leader of the Opposition who was killed in a most heinous manner, while returning home on a mission for peace and reconciliation with the dictator of his beloved homeland.

Cory's place in our hearts and minds rests on that traumatic happening on the tarmac. It is purely emotional.

The unprecedented outpouring of affection for Ninoy's widow amounting to a phenomenon, is actually but a reaction to circumstances of her husband's death. It will last only as long as Cory herself remains as a national symbol, detached from the mundane, in this instance politics. For the obvious fact is if she were not Ninoy's widow, she would be just like most everyone else of her sex, just another woman.

The story is told that when Sen Edward M. Kennedy first ran for the United States Senate, his rival, Edward McCormack, a nephew of U.S. House Speaker John McCormack, said: "If his name was Edward Moore, with his qualifications, with your qualifications, Teddy, if it was Edward Moore, your candidacy would be a joke." It was a rude thing to say but the same thing could probably be said by some unkind souls of Cory's candidacy, in that if she were not Ninoy Aquino's widow, her candidacy would be a joke.

The truth is Cory Aquino has become a rallying point for -- let's admit it -- those who realized that Doy Laurel is so far ahead in the race, that no one among his rivals is in a position to catch up with him. Singly, not one of the other PSBs could, at this point, hold a candle to Doy's preeminent claim to the Opposition's support in the presidential contest. Not one of them has the undivided support of his political group. While Doy has the solid backing of the best organized political party in the Opposition, of two major parties as a matter of fact, the UNIDO and the Nacionalista-Laurel. And, for that matter, also several splinter groups.

In view thereof, all the other so-called presidential timbers are spoilers, some of them hoping that they could wangle the No. 2 spot under Cory, in the final reckoning. This was the raison d'etre for the "Stop Laurel" movement, and the sudden ascendancy of Cory Aquino as a presidential possibility. And the media blitz that followed. Remember the joke about Philippine crabs how they would pull down the ones on top, in order that they could themselves get there?

But why Cory Aquino really? What are her qualifications for the presidency, outside of the fact that she is Ninoy's widow? What is her stand on the problems of the day? What is her platform, her program of government? What does she have to offer our people? Is she not being used as a kind of stalking horse by Doy's rivals to serve as a screen to cover their maneuverings? Would she not be putty in the hands of the politicians and businessmen in their lust for power? What experience has she had in public service? She is being highpressured by every means conceivable, she is being stampeded into an uncomfortable situation. She should know though that the presidency is a man's job and you do not send out a woman to do a man's job. The way many people see it, Cory Aquino is the victim of a joke, a cruel joke. And that is most unfortunate.

One opposition leader is reported to have said that if Senator Laurel does not give way to Cory Aquino, he himself would be compelled to also run for the presidency. That is blackmail, pure and simple. And that simply means that the man does not believe in the democratic process. He knows that he by himself cannot win but he does not want anyone else in the opposition to win too.

While the rest of his political rivals were content to issue press releases about their speeches before civic organizations, Doy Laurel busied himself with contacting people in the provinces, the people who would count in the final analysis. When some of his rivals were content to stay on the sidelines or lead boycott activities, Doy took to the hustings and was able to convince a great many to run in the elections for the Batasan. Is it fair that he would now be pressured into giving way to a johnny-come-lately? Besides, he, as well as his rivals, have agreed to abide by the results of an NUC process of selecting the sole Opposition candidate for the presidency. The claim that Cory Aquino is the only one who could unify the Opposition is at best only a self-serving claim by Doy's rivals. Do the other oppositionists dare say that if Doy becomes the candidate, they would rather vote for Marcos?

Belated Happy Birthday, Doy!

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PHILIPPINES

SCANDAL HITS FIRST LADY'S GREEN REVOLUTION

Quezon City ANG PAHAYAGANG MALAYA in English 22 Nov 85 p 1

/Article by Benjie Guevarra: "'Green Revolution' Fund Scandal Bared"/

/Text/ The First Lady's highly-publicized green revolution program is beset with what could be a multi-million peso fund anomaly following the failure of project officials to account for its over P15-million budget since 1969, purportedly for backyard crop-growing activities in Metro Manila.

Suspicions are rife that program funds were siphoned off to dubious projects in Bohol, which highly-placed sources at the Ministry of Agriculture and Good claimed is the home province of a ranking program official.

The sources said MAF Minister Salvador Escudero III has ordered yesterday program chief Ramon Binamira to submit to him immediately a financial report on the First Lady's 15-year-old pet project.

The minister reportedly issued the order in the wake of the project's apparent failure in coming up with tangible accomplishments since it was launched in the city in 1969.

A ministry informant said Binamira has not updated the ministry on the financial status of the project, which has been allotted an annual budget of more than P1 million since 1969.

He said Binamira, who was personally picked by Mrs Marcos to manage her project, has not even called a board meeting of the green revolution council since the program was started 15 years ago.

Irked with the virtual failure of the green revolution program, the First Lady had instructed Escudero early this year to prepare a similar but expanded project, another MAF source noted.

The result, he added, is the ministry's metro food production program which was launched during Mrs Marcos' birthday last July 2, and geared to undertake crop-growing and animal-raising ventures in Metro Manila.

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LABOR MINISTER OPLE WARNING ON 'ANOTHER VIETNAM'

Quezon City ANG PAHAYAGANG MALAYA in English 19 Nov 85 pp 1, 2

/Article: "Another Vietnam"/

/Text/ MANILA (AFP)--The United States and other foreign powers may undertake a "major intervention" in this country, creating another Vietnam or Cambodia, Labor Minister Blas Ople warned here yesterday.

Japan, Southeast Asian nations and Western Europe were concerned that the loss of the Philippines to communists would upset the global balance of power, he told a press forum.

"You can almost feel in Tokyo, in London, even in Paris and in Bonn, a lot of concern about the developments in the Philippines, and so I think that the events are setting us up for a major intervention not only of a foreign power traditionally familiar to us but of the alliances of the world," he said.

Ople, one of the administration's leading thinkers, added: "That should put us on guard because the Philippines should not be allowed to become a battle front for competing powers. That is going to Vietnamize the Philippines."

"We are being set up by events to become a Vietnam or a Kampuchea and I hope that regardless of partisan affiliation the political leadership of this country should be aware of that," Ople said.

The Philippines, a former US colony, hosts two strategic US military facilities, Clark Air Base and Subic Bay Naval Base, that cover the Pacific and Indian Oceans.

It belongs to the pro-Western association of Southeast Asian Nations.

Ople accused the Opposition of "inviting foreign intervention" in their efforts to unseat President Marcos.

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ILOILO RESIDENTS PROTEST MILITARY-IMPOSED TAXES

Quezon City ANG PAHAYAGANG MALAYA in English 18 Nov 85 p 9

/Article by Benjie Guevarra: "Military-imposed 'Taxes' Hit by Iloilo Residents"/

/Text/ ILOILO CITY--Gambling syndicates allegedly controlled by ranking Constabulary and Army officials and personnel have proliferated in the once peaceful province of Iloilo as the government stepped up its military offensive in an effort to curb the worsening insurgency problem here, a human rights lawyer here said.

The increasing militarization has spawned a climate of fear as field commanders of military outposts have imposed stiff "taxes" on income-generating projects such as benefit dances in rural baranggay, charged lawyer Olegario Santisteban, regional coordinator of the Free Legal Assistance Group.

Santisteban bared in a recent dialog with local government and military officials led by Brig Gen Isidoro de Guzman, Regional Unified Command 6 chief, that these military-run gambling joints have mushroomed in the insurgency-plagued towns such as Alimodian, Leon, Miag-ao, San Miguel and San Joaquin.

He told Malaya the FLAG office has been swamped this year with over 20 complaints on gambling operations, notably cockfighting, the "cara y cruz" coin game and card games like "pusoy" and "lucky 9."

De Guzman has reiterated, however, the government's campaign against these illicit activities as he issued following the dialog a memorandum to his field officers to close down these joints and arrest the alleged military operators.

The FLAG lawyer said his office has also been receiving complaints on military officials who are allegedly asking baranggay leaders to "coordinate" with them in sponsoring cultural programs like benefit dances during fiestas.

This "coordination" means that the organizers must give a portion of the project's proceeds to the military detachment covering the area, Santisteban, quoting alleged complaintants, said.

He said the baranggay leaders are forced to "coordinate" with these military men in the wake of reports that heavily-armed soldiers have violently disrupted the cultural projects in barrios where the organizers refused to pay such "taxes."

In a documented case last Dec 1, four persons were killed and several others wounded when paramilitary troopers strafed a benefit dance in baranggay Igcabugao, Igbaras.

Manuel Esler disclosed that Vincente de la Cruz, a member of the Integrated Civilian Home Defense Force, suddenly fired at dance participants, killing his brother Cresenciano (Esler) who was operating the sound system.

De Guzman assured Santisteban during the dialog that his command will run after such violators.

"If I collect, they can collect, but since I do not collect, they are not supposed to collect from these barrio folk," the regional commander said.

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CARDINAL SIN ASKS MILITARY TO DISMANTLE PRIVATE ARMIES

Quezon City ANG PAHAYAGANG MALAYA in English 16 Nov 85 pp 1, 2

/Article: "Sin's Appeal"/

/Text/ Jaime Cardinal Sin asked yesterday the armed forces to dismantle the "private armies" of political leaders to ensure clean elections.

In a dialog between the Commission on Elections and leaders of various sectors at the Manila Hotel, Sin said "the AFP's role in the elections must conform to the highest tradition of maintaining civic order without infringing on the freedom and rights of countrymen."

Although he did not reveal the political leaders who have private armies, the Manila prelate said "the men and women in uniform must not yield to any form of coercion and manipulation by vested interests that would effectively destroy its professionalism and reduce its status into a mere mercenary."

Acting AFP Chief of Staff Lt Gen Fidel V. Ramos, who was one of the guests, assured the public that members of the AFP will be neutral in the coming polls and will preserve the sanctity of the ballot.

"Every member of the AFP is ready to lay down his life just to ensure honest, orderly, and peaceful elections," he said.

Comelec Chairman Victorino A. Saveliano and Senior Commissioner Jaime C. Opinion also said that the Comelec is ready to hold clean elections and urged the various sectors of society to help the poll body in preventing electoral frauds.

Saveliano, Opinion and the other guests expressed the need to hold a clean and honest election in order to stabilize the economic and political situation of the country.

"If the nation is to survive as a democracy, free, orderly and honest elections should be fairly guaranteed and implemented not only by the Comelec, but also by the AFP, judiciary, the political parties and by every Filipino," Sin added.

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ENRILE SUGGESTS AFP INFILTRATED BY CRIMINAL WORLD

Quezon City ANG PAHAYAGANG MALAYA in English 17 Nov 85 p 8

[Article: "Criminals in AFP"]

[Text] Defense Minister Juan Ponce Enrile yesterday acknowledged that the military has somehow been infiltrated by elements from the criminal world.

Enrile made this remark even as he batted for a tighter recruitment procedure in the Armed Forces to prevent the possible infiltration of criminal elements in the military.

The defense minister was reacting to an issue regarding the involvement of military and police personnel in major crimes which was raised during an open forum at the Sulo Hotel.

Enrile was guest of the Integrated Bar of the Philippines Quezon City chapter meeting.

Certain members of the military and police have been implicated in most crimes, including sensational crime incidents like the kidnap-slaying of newsman Tim Olivarez, the El Fraile Massacre, and other robbery-holdup cases.

Enrile, however, said that just like in any organization, there are a few misbehaving persons in the Armed Forces, but they comprise less than one percent of the entire military organization.

But the continuity by which certain members in the armed organization are getting involved in crime is alarming, observers said.

Enrile assured though that the defense ministry, including the Armed Forces leadership, will do something about this and starting with a restudy of the recruitment process.

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PHILIPPINES

BUSINESSMEN QUESTION GOVERNMENT TARIFF FIGURES

Quezon City ANG PAHAYAGANG MALAYA in English 23 Nov 85 p 23

[Article by Rosa Ocampo: "Businessmen Question Government Figures"]

[Text] The private sector is questioning the accuracy of the tariff rate quoted by the government to support the IMF-dictated import liberalization program scheduled early next year.

Business leaders disputed the government's method of coming out with an official statement of tariff rates reaching 28 percent, computed by lumping the tariff rate of all import times and dividing it by the number of items counted.

Businessmen said there is no across-the-board tariff rate of 28 percent. The individual rates are determined on an industry-by-industry and product-by-product basis, they said.

Trade and Industry Minister Roberto Ongpin earlier said the country's tariff rate on import, lowered from 48 percent to 28 percent, is still one of the highest in Asia.

One of the purposes of the trade liberalization, is to bring down further the tariff rate which contributes to the increasing prices of both commodities, he said.

Businessmen said in a number of instances the government slapped high tariff rates on finished products and raw materials that are not even imported and less tariff on imported items.

They cited the case of the local glass manufacturing industry where tariff protection is still very high, at 25 percent, compared with the rate in other countries, ranging from 0 to 5 percent.

If, indeed, there has to be import liberalization, businessmen said "it should be all the way, including government owned industries."

Businessmen noted the government unduly competes with the private sector, with government -- owned and -- backed industries enjoying substantial tariff protection.

This situation is evident in the high tariff walls on steel products and tin cans to protect the National Steel Corp, a company owned by the National Development Company.

As a result, they said 65-75 percent of the total cost of canned goods such as sardines, milk and corned beef is due to the high cost of local cans.

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DOLLAR BLACKMARKET RETURNS AFTER YEAR'S HIATUS

Quezon City ANG PAHAYAGANG MALAYA in English 21 Nov 85 p 6

/Article: "$ Blackmarket Active Anew"/

/Text/ After nearly a year in hibernation, the dollar blackmarket is becoming active once again, an unusual development at this time when a lot of foreign exchange is available from legal sources.

Since two weeks ago, the Binondo blackmarket has been attracting more buyers, mostly importers needing financing for their raw material purchases, Luis Arriola, secretary-general of the Confederation of Philippine Exporters, told Malaya.

The demand for dollars has sparked renewed buying by the Chinese-Filipino group controlling the so-called Binondo central bank, pushing buying rates at P19 to the dollar, compared to the official rate at around P18.75-$1. Previously, blackmarket buying rates were P.25 to P.50 lower than the official rate.

The syndicate at present is selling at between P19.20 and P19.50 to the dollar.

The sudden activity in the blackmarket was attributed to speculations of another devaluation in the face of the coming snap election and the delay in the release of the third tranche from the International Monetary Fund standing credit amounting to 106-million special drawing rights.

Malaya sources who are familiar with the operations of the Binondo ring, however, could not understand why legitimate importers would be affected by the speculative fever.

Trading in the Binondo central bank does not involve physical delivery of dollars. A buyer is usually given a dollar-denominated draft which he could only use by depositing with a commercial bank in payment for imports.

This is a roundabout way of doing business -- at a higher cost at that -- compared to the simple opening of letters of credits with dollar-rich commercial banks.

Arriola admitted he believes the current P18.75-$1 rate will still go down in the next two to three months. Any devaluation, he said, could come only after the Presidential election set Feb 7.

The rise in dollar trading, Malaya sources said, could be another move by a high government official who controls the Binondo market to trap speculation-prone businessmen.

At this time last year, the official allowed the blackmarket to quote a high of P24-$1. Businessmen stocked up on their imported inventory in anticipation of further worsening of the Peso, only to lose heavily when the peso steadily declined from the official rate of P20-$1 to $18-$1.

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CSO: 4200/371

JAPANESE MANIPULATION OF FISHING BODY DENOUNCED

Quezon City ANG PAHAYAGANG MALAYA in English 20 Nov 85 p 12

/Article by Benjie Guevarra: "Japanese Manipulation of Seafdec Assailed"/

/Text/ TIGBAUAN, Iloilo--Disgruntled officials of the Southeast Asian Fisheries Development Center here have denounced the alleged maneuvers of the Japanese government to "shrewdly" control this international institute in a bid to maintain a cheap and steady source for Japan's rapidly-increasing fish requirement.

They charged that scientist-consultants of the Japan International Cooperation Agency assigned here at the aquaculture department -- Seafdec's main station in Asia -- are tightly controlling Japanese fund donations and equipment grants to ensure the implementation of their favored research projects.

Unlike other foreign agencies which turn over their donations to Seafdec's finance division, sources said these JICA consultants directly channel Japanese funds to their favored endeavors, especially those concerning the production of fish, prawns and shrimps.

The 'consultants' "deep concern" for such research undertakings is indicative of Japan's interests in the Philippines which exports to that country over P300 million worth yearly of shrimps alone, one irate Seafdec official stressed.

JICA's attempts to consolidate its power base in Seafdec, he added, is best seen in their sponsorship of "momboshu" scholarships which are distinct from the regular staff development programs offered by the regular staff development programs offered by the institution to deserving employees and scientists.

The source explained that the Japanese government sends abroad about five researchers yearly for advance training so it can develop soon a cadre of top scientists loyal to Japan instead of Seafdec. "Suspicions are rife that JICA wants such a staff pool to be the future source of the center's top-level management amid the consultants' serious lobbyings for favored officers to hold vital posts or have their appointments renewed for another term.

Documents furnished Malaya showed that the requisition and purchase of all items through Hapanese funds "shall be coursed thru the office of the JICA coordinator for recommendation."

Other Seafdec sources pointed out, however, that JICA's efforts to have a firm grip on its funds is only logical in the wake of a damaging 1980 report of the Commission on Audit which bared the "gross mismanagement" of Seafdef funds. These sources said a powerful clique of former and incumbent Seafdec officials has been cornering multimillion-peso contracts for infrastructure projects, and the supply of laboratory facilities and equipment.

"The government has in fact decided to put up a permanent CCA team here in order to curb the alarming hemorrhage of Seafdec funds," the informants said.

Seafdec director Alfredo Santiago Jr. declined to comment on the reported maneuvers of these Japanese donors.

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THAILAND

BANGKOK'S GOVERNOR'S POLITICAL TIES VIEWED

BK221134 Bangkok WIWAT in Thai 16-22 Dec 85 pp 19-21

[Article: "Major General Chamlong Simuang: The Future Premier From Class 7"]

[Text] Major General Chamlong Simuang's victory in the recent Bangkok governor's election has, according to many columnists, earned him the title of "the politicians' politician." Critics attribute his triumph in the gubernatorial poll to his good and consistent "preparations," not to "any luck."

After his return from study in the United States, Maj Gen Chamlong was reportedly appointed secretary general to the prime minister with the help of the "Young Turk Group," consisting mostly of graduates of the Chunlachomklao Military Academy's Class 7, because General Prem Tinsulanon had wanted to give this position to General Han Linanon, then chief of staff of the 2d Army Region, who had been very well acquainted with Gen Prem during the latter's service as 2d Army Region commander. However, the Young Turks' power was strong enough to force Gen Prem to accept Chamlong despite of his low rank and lack of seniority. The Young Turks had earlier attempted to have Chamlong appointed deputy interior minister or interior minister in General Kriangsak Chamanan's government.

Colonel Manun Rupkhachon, leader of the Young Turk group and a close friend of Chamlong, said: "I can assure you that Chamlong can successfully fulfill any job assigned to him." His statement reaffirmed Maj Gen Chamlong's past political achievements in mustering support against the bill to legalize abortion and the Army-proposed constitutional amendment.

While the Young Turks were licking their wounds from the abortive 1-3 April [1981] coup attempt, Maj Gen Chamlong Simuang kept a low profile in the defense ministry. While Col Manun and his colleagues were planning another coup, Maj Gen Chamlong kept himself busy with his "Santi Asok" religious cult and the formation of the Buddhist "Salvation Army." He frequently traveled upcountry to preach his beliefs, thus gathering more popular support.

As Col Manun Rupkhachon failed in his "second coup attempt," Maj Gen Chamlong Simuang, his close friend, won the Bangkok governor's election.

Maj Gen Chamlong Simuang did not join the Young Turks in either the 1 April 1981 or the 9 September 1985 coup attempts. He walks "his own way." Maj Gen Chamlong Simuang's different way of struggle has not affected his close ties to the Young Turks, which were quite obvious from the 14 October 1973 incident to the fall of Gen Kriangsak Chamanan's government in March 1980.

Maj Gen Chamlong Simuang wrote a letter to his classmates expressing his opposition to the extravagant reception they had planned to celebrate his promotion to major general after the 9 September coup attempt. Nevertheless, good relations between Maj Gen Chamlong Simuang and Col Manun Rupkhachon remain stable. Col Manun Rupkhachon said in his letter from Frankfurt to his classmates: "Let's support Maj Gen Chamlong in every way as much as we can."

The Young Turks once again gave Maj Gen Chamlong a helping hand in the Bangkok governor's elections. Many of their actions in this regard were not known to Maj Gen Chamlong Simuang.

Colonel Prachak Sawangchit even met personally with Police Captain Chaloem Yubamrung on several occasions to persuade him to throw his Muangchon Party's support to Maj Gen Chamlong Simuang in the Bangkok governor's election. The Muanchon Party also fielded its candidates in the Bangkok governor's and city council elections. Pol Capt Chaloem reportedly rejected Col Prachak's request. However, it will not be very difficult to draw the support of the Muanchon Party for Maj Gen Chamlong Simuang because Pol Capt Chaloem has developed close ties with the 1 April coup conspirators during their detention at Bang Khwang Prison.

Although Maj Gen Chamlong Simuang has not yet made any "official" staff appointments in the Bangkok Metropolitan Administration, he is expected to appoint his soldier friends to help him in the city administration. Expected selections include Lieutenant Colonel Winai Somphong, former aide-de-camp of General San Chitpatima and an expert in filing documents and arranging tasks according to their priority; Colonel Prap Chotikasathian, another of Gen San Chitpatima's former aides-de-camp with a reputation for sound judgment and intelligence; Colonel Bowon Ngamket, a former artillery officer and one of the 1 April coup conspirators; and Colonel Kampanat Ketwiriya, a former staff officer. These "are capable persons who are acquainted with the Bangkok governor."

An official in charge of the Bangkok governor's staff appointments said: "The appointment of the Young Turks to work for the Bangkok government should not create any problem. We have to admit that Maj Gen Chamlong selects his coworkers from the people he knows. Among hundreds of Young Turks, there must be some who are capable of doing the work. They are not selected because they are Young Turks, but because they are capable."

Regardless of what criteria are used to screen the persons to help Maj Gen Chamlong Simuang, the Young Turks have unanimously agreed "to give their solid, long-term support to Maj Gen Chamlong Simuang..."

The Young Turks are not yet strong enough to form their own political party. Col Prachak Sawangchit, a key of the Young Turk group, has tried it. Meanwhile, Maj Gen Chamlong Simuang's Ruam Phalong group is still too young to develop into a political party, which requires both money and popular support as well as a well organized body. However, Maj Gen Chamlong Simuang's relations with the Social Action Party, in the eyes of some of Maj Gen Chamlong's supporters, can help shorten the path for his Ruam Phalong group to becoming a political party.

The Social Action Party survives only because it has "M. R. Khukrit Prmot" as its leader. Although nobody accepts him as "the pillar of democracy" as the SIAM RAT newspaper put it, M. R. Kukrit Pramot is at least "the pillar of the Social Action Party."

Besides M. R. Khukrit Pramot, Air Chief Marshal Sitthi Sawetsila, Phong Sarasin, and Bunchu Rotchanasathian are the only members who might be [words indistinct] the party's leadership. "It is not difficult for Maj Gen Chamlong Simuang to pose himself as a future candidate for the leadership of the Social Action Party. He is now 50 years old. It is no dream for Maj Gen Chamlong Simuang to become the leader of the Social Action Party in the next 5 or 10 years. Nor is it a dream for Maj Gen Chamlong to be one of the candidates for prime minister. General Athit Kamlang-ek, General Chawalit Yongchaiyut, and a few other personalities are not the only ones qualified for that position. We still have time to push Maj Gen Chamlong Simuang on the road toward the premiership."

Maj Gen Chamlong Simuang seemed unhappy with the fact that the support from Class 7 that was poured on him within weeks after his winning the Bangkok governor's election was "too soon." During this period, he wanted to settle his "personal problems" rather than taking on any particular work.

Speaking to reporters about the overwhelming support he received from the people in the Bangkok governor's election, Maj Gen Chamlong Simuang said: "I do not know what to do yet. I will have to do what I am expected to do. We are not stupid. We will not be lazy."

To maintain the people's "faith," Maj Gen Chamlong Simuang must listen to suggestions from his supporters and at the same time, try to repay the people who have helped him. Of course, this is quite a heavy burden for someone who has been elected by almost half a million votes.

The support of Class 7 might also lead to "confrontation with its enemy." It is not known whether Class 7's enemy will pose an obstacle to him in the future. This is the big problem that Maj Gen Chamlong must tackle if he is preparing himself to become prime minister.

After taking office as Bangkok's governor, Maj Gen Chamlong Simuang and his deputies called on the prime minister for a briefing on the government's policy concerning the Bangkok administration. Later, he participated in the charity walkathon organized by Lt Gen Phichit Kunlawanit before paying a courtesy call on Gen Athit Kamlang-ek.

So far, Maj Gen Chamlong Simuang has not yet really started any particular work as Bangkok's governor. He still has a long way to go to become prime minister. He must be tested and tempered by both his friends and enemies.

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CSO: 4207/111

ELECTORAL 'MUDSLINGING' CRITICIZED

BK260810 Bangkok NAEO NA in Thai 25 Dec 85 p 4

[Editorial: "Point to Ponder"]

[Text] A by-election will be held tomorrow in the districts of Phra Nakhon, Pomprap, Pathumwan, Samphanthawong, Bang Rak, Dusit, Phayathai, Samsen Nai, Thung Phayathai, and Khlong San of Bangkok. A total of 703,617 eligible voters will cast ballots to elect two members of the House of Representatives.

Only three political parties, all in the coalition government namely Social Action Party, Democrat Party, and Prachakon Thai Party, have fielded candidates for the vacancies in the lower house. The election campaigns launched by the three parties are expected to affect their relations to a certain extent because each candidate will have to stress to the public the strengths of his party and at the same time expose the vulnerabilities of his opponents and their parties. However, one political party involved in the by-election has been accused by the other two of being detrimental to the country and the throne and of being infiltrated by communists.

This is an act of mudslinging which should be obsolete as democracy develops in the country. To say that a party in the coalition is detrimental to the country and the throne will create suspicion among the people -- who might even withdraw their support for the government of General Prem Tinsulanon.

Such a defamatory accusation does not benefit any party or the government as a whole.

Meanshile, the "Sayamanusati" program broadcast by the army radio network on the morning of 23 December also accused certain political parties of having created division beteen the military and people during their canvassing campaigns. Some pro-Social Action party newspapers even quoted M. R. Khukrit Pramot as saying that the Democrat Party should not have done that sort of thing.

It is obvious that the trouble has spilled outside the coalition government and caused uneasiness among the people. The country's democratic system is endangered. The people will tend to think that elections always bring rift and conflict. As a matter of fact, after the election everything will end peacefully as our desired democracy proceeds toward another milestone.

Those who are shortsighted, emotional, and unscrupulously disregard the country's long-term interests are not qualified to lead the country.

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CSO: 4207/111

MINISTERS VIEW JENKINS BILL VETO, FARM BILL

BK211240 Bangkok SIAM RAT in Thai 21 Dec 85 pp 1, 12

[Excerpts] A report from Washington D.C., the U.S. capital, said that U.S. President Ronald Reagan will sign the draft agricultural bill, known as the "farm bill," approving subsidies for agricultural exports facing marketing problems in the world market because of high domestic prices. The enforcement of this bill will enable U.S. agricltural products, such as wheat, corn, cotton, rice, and soybeans to be more competitive in the world market.

Commerce Minister Koson Krairoek said that as far as he knows, the U.S Government will use $500 million to support its cereal products. He said that this U.S. method violates GATT regulations on tariffs. Thus, he has asked the Foreign Ministry to protest to the United States.

The commerce minister also added that he had asked the Foreign Trade Department and the Commerce Ministry's advisors to monitor Thai rice markets as well as the actions of its competitors.

"I think that the United States will try to regain its rice market in Africa, which are now controlled by us," Koson said.

Deputy Commerce Minister Phirto Chaiyaphon expressed hope that the U.S. Government will not pass this draft bill because it will affect not only Thailand, but also rather developing countries. If the bill becomes law, it will draw opposition.

The Deputy Commerce Minister thought that Thailand should "lobby" against the bill by explaining the pros and cons of the bill, especially its impact on U.S. allies.

Regarding the textile issue, Industry Minister Dr Chirayu Itsarangkun Na Ayutthaya, in his capacity as chairman of a special working group for negotiations regarding the Jenkins bill, said on Friday that we should not be too happy because of President Reagan's veto of the Jenkins Bill. The bill will be returned to the U.S. House and Senate for consideration again and it may gain enough support in both of them to reach a two-thirds majority, enough to override the presidential veto.

Dr Chirayu added that the working group will not be dissolved right now as reconsideration of the Jenkins Bill will still have to take place. The U.S. House is scheduled to discuss the bill in August 1986.

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CSO: 4207/111

BRIEFS

BORDER SITUATION 'CALM'--The present situation along the Thai-Cambodian border in Prachin Buri Province is not serious because the Vietnamese-Heng Samrin forces have not moved their personnel, Burapha [Eastern] Tas Force Commander Major General Choetchai Thirathanon told reporters yesterday afternoon: [Begin recording] [Choethai] The present situation does not indicate clearly that the enemy will do anything violent along the border right now. They usually send troops to suppress resistance forces along the border in the dry season, but the situation this year is still calm. There is no indication of violence. [Unidentified reporter] Is there any border aggression? [Choetchai] No, there is no aggression. The enemy is mostly stepping up the erection of barriers, such as barbed wire fences and mines, and the construction of antitank canals along the border, so there is no aggression right now. [Unidentified reporter] Is there any refugee problem? [Choetchai] There is no refugee problem. There are two refugee centers in the areas under our responsibility -- one in Ta Phraya and another at Khao Ta Ngok. They are under the control of officials with no problem. [end recording] [Text] [Bangkok Domestic Service in Thai 0000 GMT 22 Dec 85] /12640

EXPORT PROBLEMS TO USSR--According to a report prepared by the Business Economic Department of the Commerce Ministry, there are always problems in trade between Thailand and the Soviet Union. As a socialist country, Soviet trade is monopolized by its government and conducted by its Foreign Ministry whereas in Thailand trade is conducted freely. Negotiations therefore usually take a long time and seldomly yield satisfactory results. The report also notes that Soviet imports are based on its periodic demand -- what it is short of during the year. The country is not dependable for regular imports, especially of food items, from other countries. This has made it difficult for Thai long-term planning. Moreover, Thailand is not a major trade partner to which the Soviet Union gives much attention. The report notes that there is still a possibility of increasing exports to the Soviet Union if the government and private sector join together in coordinating a long-term marketing plan, including holding Thai trade exhibitions in the Soviet Union and setting up an association of exporters to the Soviet Union. [Text] [Bangkok MATICHON in Thai 23 Dec 85 p 2] /12640

COUP DETAINEES TRANSFERRED--Several senior military officers with the rank of general who were charged with involvement in the coup attempt on 9 September are now being detained at the temporary detention site at the special branch division. Police officials are in charge of their security and an official of the Corrections Department coordinates the process of extending their detention time. Some of the generals concerned have reportedly behaved themselves in a manner unsuitable to their position as detainees. Low-ranking officials supervising these generals have felt uneasy about the generals' activities, such as their invitation to monks to chant and their staging birthday celebrations in the detention site. Regarding this matter, Sanit Ruchinarong, director of the Corrections Department of the Interior Ministry, reported that his department has discussed with the Defense Ministry's Judge Advocate General's Department and agreed in principle that supervision of detainees who are military officers will be transferred to the military. The date of implementation of this agreement will be agreed upon later. [Text] [Bangkok THAI RAT in Thai 23 Dec 85 pp 3, 2] /12640

CSO: 4207/111

WESTERN SAMOA

BRIEFS

PRIME MINISTER'S RESIGNATION--Western Samoa's prime minister, Tofilau Eti, has resigned following the defeat of the 1986 budget and the rejection by the head of state at his advice to dissolve Parliament and call new elections. The prime minister announced this decision to Parliament. This creates the way for the opposition-coalition to form a new government. The swearing in of the new government in Western Samoa is expected early next week. [Text] [Melbourne Overseas Service in English 0500 GMT 28 Dec 85 BK] /9738

CSO: 4200/477

PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

RETURNEES IN SIEM REAP--Phnom Penh, 8 Dec (SPK)--With 1 month ending on 20 November, 143 misled persons, including 103 Pol Pot followers, reported themselves to the revolutionary power of various localities in Siem Reap-Oddar Meanchey Province. These repentants brought with them 90 assorted weapons. [Text] [Phnom Penh SPK in French 1137 GMT 8 Dec 85 BK] /6662

BOU THANG GREETS GDR MINISTER--Phnom Penh, 12 Dec (SPK)--Bou Thang, defense minister of the PRK, has sent warm greetings to General Heinz Kessler on his appointment to the post of national defense minister of the GDR. In his message, the Cambodian minister expressed firm belief that the bonds of friendship, solidarity, and all-round cooperation between the peoples and armed forces of the two countries will further develop with every passing day. Bou Thang wished his GDR counterprart good health and great successes in the accomplishment of his noble task. [Text] [Phnom Penh SPK in French 0426 GMT 12 Dec 85 BK] /6662

CSO: 4219/17

MILITARY AFFAIRS AND PUBLIC SECURITY

BEIJING'S WAR OF ENCROACHMENT ON BORDER IS AGGRESSION

Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese Sep 85 pp 8-16

[Article by Trung Dung: "War of Encroachment on Border -- A Style of Beijing's Aggressive War"]

[Text] Following their big failure in the aggressive war conducted at both ends of our country with the "two jaws of the pincers" strategy in 1979, the Chinese hegemony-advocating expansionists have been waging a style of war of destruction of many facets in our entire country. In this war they are also encountering the fierce fighting of our army and people, who have inflicted upon them important initial defeats. Since April 1984 Beijing has been escalating the war with an extremely dangerous act, to strengthen and step up the military activities on our northern border into a form of war of encroachment on the border.

The war of encroachment on the border is a style of Beijing's aggressive war, with limited purpose, limited forces and limited space, on the border, but it also is very bitter and fierce, with some aspects of it being as bad as those in the aggressive war that the enemy had fought against our country. It has the greatest scope and intensity since the aggressive war of 600,000 Chinese troops in 1979. It has led to an extremely serious, tense and hot situation on our northern border. Currently this war still continues and it is very likely that in the time to come Beijing will step it up, both in scope and intensity and in combat maneuvers and measures. We must expose the nature, plot and maneuvers of the Chinese hegemony-advocating expansionists in this form of war of encroachment on the border. Our army and people must recognize more fully the enemy's villainous and shrewd face, always remain vigilant, sharpen our determination and resolutely defeat the enemy in their war of encroachment on the border.

As it conducts the war of encroachment on our border, Beijing is afraid that the world and domestic opinion will condemn it. Therefore, they have spread distorting propaganda arguments. Although Beijing sent its troops over to seize our territory, it claimed that "Vietnam has sent troops to fight on the Chinese side" and that "China had to counterattack for self-defense." They deliberately create the impression among the people who have not known the situation very well, including some men of goodwill, that this is only "an armed confrontation of local character" caused by "the border dispute" between Vietnam and China!

The military realities on the border of our country have totally refuted such awkward enemy distortions.

How could we say it was "an armed confrontation of local character" when Beijing used a large main-force contingent from its army to launch attacks and encroachments of such a large scale as they did lately?

Only between April 1984 and the end of June 1985, in 15 months, the Beijing aggressive army launched 5 waves of large-scale action of the nature of military operations in a narrow stretch of land not even 20 kilometers wide in Vi Xuyen District of Ha Tuyen Province. There they rotated for participation in the war action 11 divisions and 2 army corps of 5 (out of 11) great military regions. In the area facing our Ha Tuyen Province at one time there were as many as eight Chinese divisions. (Let us note that during the time of its aggressive war in South Vietnam, the American army taking part in it never had more than 11 divisions of both the army and other arms at any given time.) With this force combined with the local troops, the Chinese army launched hundreds of large and small attacks to encroach on our territory, many at divisional and regimental level.

During this same period, Chinese artillery fired into our country as many as 1.3 million artillery and mortar shells. The monthly average was nearly 100,000 shells. At the peak of their activities, on many occasions they fired up to 50,000 shells a day. In some waves of attacks, as in one that lasted from 2 to 27 April 1984, they fired into 26 of 30 districts, 125 of 150 villages near the border, 28 border outposts, some as far as 20 kilometers from the border, and even some densely populated cities and towns. We can see more clearly the ruthless nature of China's acts by making this comparison: the largest number of artillery shells the American and Saigon puppet armies had ever fired was 30,000 a day, at the time they had been giving concentrated firepower support to their infantry units for a recapture of the City of Quang Tri in 1972, compared to 50,000, the number of artillery and mortar shells the Chinese fired a day in the Vi Xuyen area.

Along with the above-mentioned fierce attacks and shellings, Beijing also conducted 250 intelligence and espionage activities; 300 commando-type activities; nearly 100 intrusions, ambushes, kidnappings and assassinations aimed at our cadres, combatants and people while combining them with the war of destruction, psychological warfare, counterpropaganda and other activites aimed at motivating the reactionaries inside our country to launch covert activities against our country's revolution. In recent months, China has committed a new savage crime by using small mines floating down Lo and Chay Rivers to inflict casualties on hundreds of civilians not only in the border area but also in such deep-inland areas as Hanoi, Hai Hung, and so on.

All of such activities originate from the line and strategy of the Beijing ruling clique and have been fully prepared for in terms of both planning and the actual conditions for carrying them out. The Zhong Nan Hai leaders themselves, such as Deng Xiaoping and Hu Yaobang, and the top commanders of the Chinese army, such as Zhang Aiping and Yang Dezhi, have come in person to talk loudly and to urge their soldiers to carry out the determination to encroach on Vietnam's border.

As we all know, a "border war" is normally considered one that is created by contradictions in a border dispute between two neighboring countries having the same border. The form of war of encroachment on the border waged by Beijing at the northern border of our country today totally lies outside of this concept. This is a war that clearly has aggression as its purpose and is waged by the Chinese hegemony-advocating expansionist clique. Our people and our land as its victims are forced to fight against this aggression in order to fully protect the borders of our fatherland and our independence and sovereignty.

In fact, the China-Vietnam border problem does not contain any dispute great enough to cause a "border war." That point had been clearly determined right in the first years after the establishment of the PRC and repeatedly reaffirmed since then. Most recently, in October 1977, at a reception honoring Council of Ministers Chairman Pham Van Dong during his visit in China, Li Xiannian, then vice premier, State Council of China (now president of the PRC), recognized that "The border between China and Vietnam was determined by a treaty that had been signed by the Qing Dynasty and the French government" and that "both sides have now expressed the readiness to respect this border."

And thus the arguments that "Vietnam has sent troops to fight on the Chinese side" of the border, as well as the so-called "border dispute" that China has intentionally created, are only the reasons for deceiving public opinion in their country and in the world. This was similar to the "Gulf of Tonkin incident" which the American imperialists had created in 1964 as the reason for covering up their plot to wage a war of destruction with their Air Force and Navy against North Vietnam.

If there really was a border dispute between the two countries, as a letter of the Vietnam Lao Dong Party Central Committee in November 1957 and a response from the Chinese Communist Party Central Committee in April 1958 agreeing to the contents of our party's letter stated, "any dispute that may occur about the border and all territorial problems must be resolved through negotiations."

As China openly sends its troops over to launch attacks and to seize land on Vietnam's border, why can it call this a border dispute?

No matter how shrewd China's deceitful arguments may be, they cannot defend the dark design and actual aggressive activities of the Chinese against our country. Following the aggression in 1979 of 600,000 Chinese troops, who had to withdraw, Beijing still remained stubborn as its troops continued to hold a number of areas being part of Vietnam's territory. Then, since 1980, every year they launched new offensives to seize many other areas. In 1980, they seized high grounds 583 and 371 in Van Lang District, Lang Son Province,and high ground 1992 in Xin Man District, Ha Tuyen Province; in 1981, a series of high grounds in the flat terrain 400 of Cao Loc District, in Lang Son Province, high grounds 1800a, 1800b and 1688 in Vi Xuyen District, Ha Tuyen Province, and so on. After they had seized an area, the Chinese troops built strong trenches and organized its defense right away.

As China sends its troops to attack and seize land of an independent and sovereign country, its action clearly is that of an aggressor. The war to encroach on the border obviously is a style of aggressive war. It no longer lies within the boundary of a multifaceted war of destruction as did the military acts of destruction in the past. It is being waged at the same time and closely combined with the style of war of destruction. The multifaceted war of destruction and the war to encroach on the border share the same purpose of weakening us in order to move toward conquering our country. However, both wars have different targets, forces, meaning and measures to take for their prosecution.

The multifaceted war of destruction is prosecuted in a lasting and permanent manner and primarily aimed at silently undermining all activities of our country's revolution and hoping to make us economically weakened and exhausted, politically and ideologically divided, culturally and spiritually degraded, unstable in terms of political security and social order and security, diplomatically isolated, and so on. From there and combined with military activities from without, they hope to overthrow our administration or to force us to accept defeat, to change our policies and to enter China's orbit. The principal force that carries on the war of destruction is the spies and reactionaries from without, the reactionaries within the country along with the people who are against the revolution, the former Saigon puppet army and administration cliques who refuse to be reeducated, and so on. The grounds for the war of destruction include both cities and rural areas, both border and inland areas.

Unlike the multifaceted war of destruction, the form of war of encroachment on the border has its own targets, force and measures to be taken for its prosecution.

Its basic target is to seize land, "to gnaw" our territory and to carry out one step further their national expansion. The land areas which the Chinese troops recently were concentrating efforts on seizing were the ones that offer military advantages and the high grounds that serve their scheme aimed at dividing the lines for troop deployment, lend more strength to their defense network and are suitable for building a springboard for their attacks on our land. By unleashing the war of encroachment on the border, China also aims at the target of creating a permanently tense situation, which forces us to concentrate on coping with it and to be deprived of stable conditions for economic construction, and at the same time helps to prepare for a large-scale aggressive war to be started when they think the opportunities call for it. China also uses this war as a training ground for its troops, whose actual combat experiences are few. The war of encroachment on the border is also aimed at being combined with and creating favorable conditions for waging more effectively the multifaceted war of destruction.

China also uses the war of encroachment on our country's northern border combined with the aggressive war waged by its puppet army in Cambodia in the overall strategy of undermining the revolution in Vietnam and in the three Indochinese states and, in certain points in time, considers it a formula for saving the clique of its reactionary lackeys from defeat on the Cambodian battlefield.

The form of war of encroachment on the border as Beijing has unleashed is still going on. The Chinese ruling clique does not stop at these targets if the Chinese aggressive troops are not to face our army and people, who resolutely stop and fight them, destroy a lot of their vitality and means of war and bring bankruptcy to their combat measures. Depending on the actual events taking place on the battlefield, the situation in their country and the situation in Southeast Asia and the world, China's war to encroach on our border will become more bitter and complicated, with many new plots, targets and maneuvers. Military activities on the border may flare up sometimes and subside at other times, but the war of encroachment has not ended yet. In addition to constantly maintaining the intensity of their attacks and shellings as it was shown lately, at the key points in time in the situation having to do with their overall scheme, usually in direct connection with the war activities on the Cambodian battlefield, the Chinese may launch offensives of larger scale aimed at seizing larger areas, or create more "Vi Xuyen's" elsewhere. At the same time, China also may use airplanes and warships to attack with firepower or land troops against the important economic, political and communications points in our border and coastal areas and on our islands. We do not rule out the possibility for China to use light units to go deeply into and to attack our economic, military and political targets in our rear area within specific distances from the border.

Beijing also hopes to use the war of encroachment, combined with activities in the multifaceted war of destruction, as a "shield" to create a terrain for the exiled reactionaries, in cooperation with the domestic reactionaries, to set up the so-called "liberated zone" or "autonomous zone" where the Vietnamese lackeys-traitors will hoist a torn pro-Beijing flag to hide the aggressive face of the Great Han expansionist tendency.

The war of encroachment on the border lately had some limits in space. But once the Chinese rulers extend it to the entire border, it will become a "fuse" and the transitional war will possibly become a large-scale aggressive war. On our country's southwestern border, the attacks launched by the Pol Pot clique, Beijing's lackeys, in the period of 1976-1977 to encroach on our territory were gradually developed into a large-scale aggressive war, a style of aggressive war of the Chinese expansionists using their lackeys' reactionary army in Cambodia.

We must continue to be vigilant, to follow and to guard against the new adventurous policies of Beijing while they still refuse to accept defeat in the plot to fight and conquer our country.

The force that prosecutes the war of encroachment on the border includes both the main-force troops and local troops of the Chinese armed forces. At first, Beijing used the local force of the Kunming Military Region, which directly faces our northern border. But because the more they attacked, the more they suffered from defeat, Beijing had to mobilize a rather large part of the regular mobile force of the five great military regions behind it, such as Nanjing, Wuhan, Jinan Great Military Regions, for participation in the war. China's main-force troops have gradually become the principal force that prosecutes the war of encroachment.

In addition to the army, recently China prepared the public opinion, as well as material equipment conditions, for its Air Force and Navy to take part in this war. Once lately it assembled hundreds of aircraft, including armed helicopters and troops-carrying helicopters, in airfields close to our country's border.

In recent months, the realities of the war of encroachment on the border as it was prosecuted by the Chinese aggressive army showed a number of noteworthy points in connection with its combat measures. In addition to the scattered and constant shellings and encroachments conducted as a measure to prosecute the war, the Chinese troops continually launched waves of large-scale attacks having the nature of military operations on clusters of high grounds in the same area, with forces regularly of division size, and in some cases with forces of army corps scale or with many divisions. As they carried out their combat plans, there always was combat and operational coordination between the offensive activities of their infantry and the shellings aimed at our rear area by their artillery.

In their attacks, the Chinese troops applied the "fight surely, advance surely" move based on rather careful preparations in all aspects. The principal form of offensive normally was that of joint infantry-artillery action. Artillery was used with high intensity. Motorized batteries and large mortars were usually used to provide demolition fire, overpowering fire and standing barrage fire against our troop movement axes. The accompanying mortars normally were to provide support to the attacking infantrymen. In addition to the fixed artillery positions that had been built as fortified combat means near the border, the Chinese troops attached great importance to using field and mobile artillery pieces to create unexpected firepower intensity.

As to their striking power, the Chinese troops always created for themselves an overpowering advantage over the defending side, which normally was outnumbered by 5-6 times, in many cases 10-12 times and even 20 times in some battles. They launched attacks on the front, the flanks and also the rear of our strongholds and clusters of strongholds. They also launched attacks in both daytime and nighttime. Their attack formations consisted of many units launching surprise attacks and relentless assaults.

Along with the common form of offensive coordinating units of various arms, the Chinese troops also applied the secret form, with small forces launching sudden attacks. Noteworthy was the fact that recently they organized "suicide squads" consisting of 5-10 men, lightly armed, using high-powered weapons and under cover of darkness attacking our key points.

In defense, the Chinese troops immediately organized defense wherever they had seized land. They usually took advantage of and improved the existing trenches and shelters, brought along prefabricated structures or the necessary materials from the rear to build strong and impenetrable fortifications, and combined them with the existing ones. As they organized their defense network, the enemy troops paid a lot of attention to forming dividing lines and always tried to drive out the key elements in our "comb tooth tactics." Around their strong points they planted antipersonnel mines combined with obstacles of the nonexplosive kind. At the strongholds used in their defense, they usually set up observation stations that operated beyond the battlefield to detect things and to launch preemptive strikes from afar. When they were attacked, the enemy troops on the one hand primarily relied on the existing fortifications and on-the-spot firepower to fight back, and at the same time used artillery and firepower from other strongholds as powerful reinforcement. What was especially noteworthy was that in their defense, the Chinese troops always deployed strong mobile forces and launched counterattacks ranging from low to high level in a persistent and resolute manner. The combat realities in Ha Tuyen showed that they once counterattacked 25 times in 1 day in order to try to recapture the land they had lost. Another fact we should pay attention to was that all enemy defense positions, mostly the artillery positions, were carefully camouflaged and kept in impenetrable, secret and unexpected locations. During the day, the enemy troops involved in defense did not show any movement above the ground level and greatly restricted their own use of radio communications for information and liaison purposes. At night, they avoided showing lights and making noises.

The form of war of encroachment on the border with the above-mentioned purposes, forces and measures obviously is a new military escalation on the part of Beijing as it carries out the basic plot to undermine Vietnam's revolution. At the same time, it is the product of the failure of China's strategy and tactics aimed at undermining Vietnam's revolution that it has applied earlier.

Looking back in history, we find that prosecuting the war of encroachment on the border against Vietnam, and against other neighboring countries, was China's traditional policy, which had originated from the Great Han expansionist tendencies thousands of years ago.

The history of China clearly showed that all the dynasties -- from Xia, Shang, Zhou, Qin, Han, Sui, Tang, Song to Yuan -- had taken advantage of their vast land and large population and army and had used troops to conquer, seize and subjugate the neighboring tribes, peoples and nations. A land of a few tens of millions of people in an area of more than 300,000 square kilometers in the Yellow River midland, today China has become a country of more than 9 million square kilometers, with the largest or record population of over 1 billion people. That was the very result of a series of aggressions, conquests and assimilation of the neighboring nations and countries through many centuries.

In fact, under the social system of slavery and feudalism based on the economic system of private ownership, with antagonistic class contradictions and oppression and exploitation being common, it was not a rare phenomenon of wars breaking out among nations for the purpose of conquering one another. But in the history of the world, it was hard to find a kingdom in which the ruling dynasties that succeeded one another continued to carry on aggression and expansion for thousands of years without interruption as the Chinese dynasties of the time of slavery and feudalism had done.

It could be affirmed that to invade and to encroach on the borders of neighboring countries was the nature of the Great Han expansionism and hegemony. It had become an inherent way of thinking and the blood and flesh in the policies of the Chinese ruling cliques in China's entire history (those policies also included the "Han-ization" of the ethnic minorities in China).

Vietnam was one of the victims of China's expansionist and hegemony-advocating policies. Only from the beginning of the 10th century to the end of the 18th century, in 800 years, China had waged more than 10 major wars of aggression to try to defeat and conquer our country. Following the aggressive wars in which it had suffered from defeat and had been forced to withdraw its troops, China on many occasions tried to reoccupy many parts of our territory along the border we shared with China. (In the past, the Vietnamese dynasties had maintained bitter struggle in order to gradually recapture some of the lost land.)

In the Mao Tsedong era, right after the civil war had ended, the new ruling clique in Beijing began to entertain expansionist and hegemony-achieving ambitions. So far people have not yet forgotten the many words full of expansionist ideas uttered by Mao Tsedong, such as "We (China) must conquer the whole world, as our target is the whole world" (1959) and "We definitely must recover Southeast Asia, which includes Vietnam, Thailand, Burma, Malaysia, Singapore, etc. The Southeast Asian region is very rich, has lots of minerals and is greatly worth our efforts to recover" (1965).

With such ambitions, in the last few decades, in one way or another China in reality used many pretexts to encroach on the borders of 12 countries that shared them with China. Specifically, they provoked wars of aggression and armed encroachment against six countries -- India, Burma, the Soviet Union, Bhutan, Sikkim and Vietnam. In 1962, their troops attacked 100 kilometers deep in Indian territory and later seized from India an area nearly 36,000 square kilometers.

As for our country, even when Beijing had not yet openly adopted an antagonistic policy toward our country's revolution, it was secretly or overtly taking different measures to encroach on our land. It intentionally drew the map of Vietnam as a Chinese province; took advantage of helping us to build roads to encroach on our land; used the pretext of borrowing our roads and land to send Chinese people over to live and to earn their living, and later unilaterally annexed where they lived into Chinese localities; secretly moved the border markers more deeply into our territory; built barriers and dams to alter the flow of rivers and streams, which had been used as dividing lines between the two countries, and thus to encroach on our territory; deliberately built long-lasting works in our land and then declared they were Chinese territory, and so on. To use the armed forces to prosecute the war has been the peak of Beijing's plot to encroach on our country's border. Naturally, that is not yet the highest peak in the plot to conquer our country and to expand its territory as China has been dreaming about.

Like the large-scale aggressive war in February 1979, the war of encroachment on the border this time will surely suffer from defeat inflicted by our army and people.

To prosecute the war of encroachment on our border has led to quite a few difficulties and has shown the basic weaknesses that Beijing cannot overcome.

First of all, due to the lack of a good cause in the war, the Chinese rulers not only have failed to obtain the agreement and support of the Chinese people and soldiers but also were fiercely opposed and strongly condemned. Since the world opinion gets to know more and more about Beijing's dark design in this war, more and more people now support our people and object them.

No matter how blindly the Chinese troops have been endoctrinated, no matter how belligerent they may be in the beginning, once they cross the border into our territory, mostly when our army and people fiercely fight them back, their combat morale will quickly decline and they will not "fight bravely" as the Chinese army leaders hope they will. Although they are numerically superior, they are backward and poor in terms of fighting capacity and combat experience; when they face an adversary who has a high and rich level of combat capabilities like our army, they will easily become confused and lost and will lose their confidence.

Although the war of encroachment on the border is not a large-scale aggressive war, the military situation on the border has considerably affected the stability of their rear area. The fact that the longer the Chinese army fights, the greater their losses and being bogged down will be cannot help causing adverse effects on Beijing's "four modernizations" objective and "open door" policy. This also is a matter that has led to quarrels among the Chinese rulers and army commanders.

By launching attacks to encroach on Vietnam's territory, China is revealing its real face -- it is opposing Vietnam, socialism, the Soviet Union and the world revolutionary movement. As a result, they are becoming more and more isolated, politically and diplomatically.

While Beijing's war of encroachment on our border has just developed, it bears in itself the factors of unavoidable failure. Adhering to the political and military line of the party, boosting our subjective efforts to a high level and digging further into the enemy's basic weaknesses, our army and people will surely inflict total defeat on the form of war of encroachment on the border of the Chinese expansionist and hegemony-advocating clique.

(Read in the next issue: "The People's War for Defense of the Fatherland Beats the War of Encroachment on the Border.")

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CSO: 4209/159

DEFENSE MINISTER RECEIVES GREETINGS FROM COUNTERPARTS

BK251711 Hanoi VNA in English 1539 GMT 25 Dec 85

[Text] Hanoi VNA 25 Dec--Defence Minister General Van Tien Dung has received greetings from his Soviet, Cuban, Hungarian and Czechoslovak counterparts on the 41st anniversary of the Vietnam People's Army (December 22).

Marshal Sergei L. Sokolov, Soviet minister of defence, wrote in his message:

"Loyal to the Leninist banner of socialist internationalism, the combatants and the entire people of the Soviet Union will constantly consolidate the traditional friendship between the peoples and armies of our two countries, and firmly support the Vietnamese people's endeavours to safeguard their national independence, strengthen socialism and maintain peace in Southeast Asia."

The Cuban defence minister wrote: "The Vietnam People's Army has gone through a long fight to defend the successes of the people. We take this opportunity to wish the Vietnamese Armed Forces still greater victories in the defence of their motherland."

The Hungarian minister of defence wrote in his message: "We put a high value on the achievements won by the Vietnamese Armed Forces in the building and defence of their motherland and admire the great sacrifices and courage they have displayed in accomplishing their proletarian internationalist duty."

The minister of national defence of the Czechoslovak Socialist Republic said in his message:

"We highly value the heroic revolutionary path (?which) the Vietnam People's Army has experienced aimed at defending the inviolable interests and border of their country against aggressive schemes of the enemy."

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CSO: 4200/449

INTERNATIONAL RELATIONS, TRADE, AND AID

PRK'S BOU THANG GREETS SRV'S VAN TIEN DUNG

OW231839 Hanoi VNA in English 1635 GMT 23 Dec 85

[Text] Hanoi VNA 23 Dec--Bou Thang, minister of national defense of the People's Republic of Kampuchea has extended warmest greetings to his Vietnamese counterpart, General Van Tien Dung, on the occasion of the 41st anniversary of the Vietnam People's Army (Dec 22).

The message reads:

"The Kampuchean people as well as the progressive people the world over remember for ever the history of the revolutionary struggle of the three Indochinese countries' armies which have stood shoulder to shoulder in the same trench fought together against their common enemies--the French colonialists, the U.S. imperialists and the Chinese expansionists and hegemonists and their henchmen, and won great victories, firmly defending the revolutionary gains of the three countries on the Indochinese peninsula.

"The Kampuchean people and army engrave for ever deep in their hearts the great service done to Kampuchea's revolutionary cause by the Vietnam People's Army, thus creating favourable conditions for the Kampuchean people to revive in independence, freedom, and peace and become the real masters of their own destinies under the leadership of the People's Revolutionary Party of Kampuchea, a genuine Marxist-Leninist party.

On this occasion, we would like to send our highest regards to the Vietnamese fathers, mothers, brothers and sisters, who have encouraged their sons, daughters, brothers and sisters to fulfill their noble proletarian internationalist mission in Kampuchea in order to help the Kampuchean revolutionary armed forces firmly defend their sovereignty and territorial integrity."

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CSO: 4200/449

LAO DEFENSE MINISTER GREETS VAN TIEN DUNG

OW231859 Hanoi VNA in English 1623 GMT 23 Dec 85

[Text] Hanoi, 23 Dec (VNA)--Lao Defence Minister General Khamtai Siphandon has extended his warmest greetings to Vietnamese Defence Minister General Van Tien Dung on the 41st anniversary of the Vietnam People's Army.

General Khamtai Siphandon said in his message of greetings:

"Under the wise leadership of the Communist Party of Vietnam which is always loyal to Marxism-Leninism and the great President Ho Chi Minh's teachings and with its tradition of staunch revolutionary struggle and noble internationalist spirit, the Vietnam People's Army has recorded brilliant exploits, defeating, together with the entire Vietnamese nation, all aggressors and fulfilling its duties towards the nation as well as its noble internationalist obligations.

"Nowadays, the Vietnam People's Army has become a mighty and modern revolutionary army and a firm mainstay for Vietnam's national defence, thus actively contributing to the socialist construction in Vietnam and to the consolidation and defence of the socialist outpost in the Indochinese peninsula, and to the defence of peace in Indochina, Southeast Asia and the world over.

"The Lao People's Army are happy and proud of having a staunch comrade-in-arms as the Vietnam People's Army and consider its growth and victories a great encouragement to the Lao People's Army, and an important contribution to consolidating and strengthening the special militant solidarity and alliance between Laos and Vietnam and among Laos, Vietnam and Kampuchea."

The Lao defence minister expressed profound gratitude towards the Vietnamese party, state, people and army for their precious assistance and support for the Lao revolution.

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CSO: 4200/452

FOREIGN MINISTRY DELEGATION ARRIVES IN SRV

AU211449 Tirana ATA in English 0900 GMT 21 Dec 85

[Text] Tirana, 21 Dec (ATA)--The delegation of the ministry of the foreign affairs of the PSR of Albania, led by Comrade Sokrat Plaka arrived in Hanoi on 20 December, where it was welcomed by the vice-minister of foreign affairs of Vietnam Hoang Bik Son as well as by other functionaries of the ministry of foreign affairs.

On 21 December, the delegation of the ministry of foreign affairs of Albania was received by the minister of foreign affairs of the Socialist Republic of Vietnam Nguyen Co Thach. On this occasion opinions were exchanged between them on the further development of the friendly relations between the two countries as well as on some problems of international situation.

In honour of the delegation, the minister of foreign affairs Nguyen Co Thach gave a dinner. Attending the meeting and dinner which passed in a warm and friendly atmosphere, was also the ambassador extraordinary and plenipotentiary of the PSR of Albania in Vietnam Syrja Laze.

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CSO: 4200/449

ALBANIAN FOREIGN MINISTRY DELEGATION DEPARTS

OW231815 Hanoi VNA in English 1640 GMT 23 Dec 85

[Text] Hanoi VNA 23 Dec--The Albanian foreign ministry delegation led by Vice Minister Sokrat Plaica left here today successfully concluding its five-day visit to Vietnam at the invitation of the Vietnamese foreign ministry; it was seen off by Vice Minister Hoang Bich Son and other high-ranking officials of the Vietnamese foreign ministry, and Albanian ambassador to Vietnam Syrja Laze.

While here, the delegation paid tribute at Ho Chi Minh Mausoleum, visited the late president's home and office, had working sessions with some Vietnamese economic organizations, and toured a number of economic, historic and cultural establishments in Hanoi, Ho Chi Minh City and Quang Ninh Province.

The delegation was cordially received by Nguyen Co Thach, alternate political bureau member of the Communist Party of Vietnam Central Committee and foreign minister.

The Albanian foreign ministry delegation held talks with a Vietnamese foreign ministry delegation led by Vice Minister Hoang Bich Son.

Present on these occasions were Hoang Manh Tu, acting head of the Vietnamese foreign ministry's department no. 1 for European affairs and Albanian ambassador Syrja Laze.

The two sides informed each other of the situations and tasks in their respective countries, exchanged views on the strengthening and development of the friendship and multifaceted cooperation between Vietnam and Albania and the relations between the two foreign ministries as well as on regional and international issues of mutual concern.

The exchanges of views took place in a warm atmosphere of solidarity and fraternal friendship.

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CSO: 4200/449

FOREIGN MINISTRY DELEGATION MEETS SRV PREMIER 23 DEC

AU251602 Tirana ATA in English 0915 GMT 25 Dec 85

[Text] Tirana, 25 Dec (ATA)--On 23 December, the chairman of the Council of Ministers of the Socialist Republic of Vietnam, Pham Van Dong, received the delegation of the Ministry of Foreign Affairs of the People's Socialist Republic of Albania led by the vice-minister Sokrat Plaka, which is on a friendly visit to Vietnam.

The reception, which passed in a warm and friendly atmosphere, was attended also by the ambassador extraordinary and plenipotentiary of the PSR of Albania to the SR of Vietnam, Syrja Laze.

On 23 December too, the delegation of the Ministry of Foreign Affairs of Albania left Vietnam on a friendly visit to the Lao People's Democratic Republic.

The delegation was seen off by the vice-minister of foreign affairs of the SR of Vietnam, Hoang Bich Son, and other officials of the ministry of foreign affairs.

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CSO: 4200/449

CUBAN FRIENDSHIP GROUPS EXCHANGE GREETINGS

OW231821 Hanoi VNA in English 1627 GMT 23 Dec 85

[Text] Hanoi, VNA 23 Dec--The Vietnam Committee for Solidarity and Friendship with other peoples and the Vietnam-Cuba Friendship Association have sent their greetings to the Cuban Institute on Friendship with the Peoples (CIFP) and the Cuban Committee for Solidarity with Vietnam on the occasion of the CIFP's 25th founding anniversary.

The message said:

"Under the leadership of the Communist Party of Cuba headed by esteemed Commander-in-Chief Fidel Castro, in the past 25 years you have tirelessly worked for the friendship among nations and made outstanding contributions to strengthening their solidarity in the common struggle for national liberation, and for peace, national independence, democracy and social progress.

In the past 25 years, the CIFP has made a very big contribution to developing the friendship, militant solidarity and examplary relationship between the Vietnamese and Cuban peoples.

On this occasion, we would like to express our most sincere and profound gratitude towards the party, government and fraternal people of Cuba for their fine sentiments and precious support for the Vietnamese people's revolutionary cause".

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CSO: 4200/449

INTERNATIONAL RELATIONS, TRADE, AND AID

NHAN DAN DEMANDS U.S. STOP NUCLEAR TESTS

OW240813 Hanoi VNA in English 0720 GMT 24 Dec 85

[Text] Hanoi VNA Dec 24--NHAN DAN today demands that the United States stop immediately all nuclear tests and seriously respond to the Soviet Union's goodwill proposals.

The Vietnamese national daily points out: "The time for the Soviet Union's unilateral halt of all nuclear tests is about to end. Yet, nuclear tests have continued in the United States and it is particularly dangerous that these explosions are being used to create new weapons for 'star wars.' Mankind cannot help being anxious about this attitude of the U.S. ruling circles.

"The Soviet Union's unilateral moratorium on nuclear tests has set a shining example of the sense of responsibility towards mankind's destiny. If the United States does the same, it will help build mutual trust and create favorable conditions to advance towards an international agreement on stopping all nuclear tests, thus opening the way for the limitation and eventual abolition of nuclear weapons.

"Regrettably the U.S. administration is doing the contrary. In its view, the way to the abolition of nuclear weapons seems to have to go through a further step of increasing those weapons. In response to the Soviet Union's initiatives, the Washington administration tries to plead for its continuation of nuclear tests, firstly by pretending that the United States is 'lagging' behind on the field of nuclear armament." The paper rejects the United States claim about the "difficulty of control" aimed at covering its real design of striving for military superiority over the Soviet Union.

The paper says: "The Soviet Union's stance radiates justice and a sense of responsibility towards mankind. Recently, the Soviet Union has put forth concrete, fair and practical measures aimed at stopping the arms race, averting the danger of nuclear war, for peace and life."

"The U.S. ruling circles have no reason to elude the Soviet Union's proposals. Mankind demands that they quickly respond to the positive initiatives of the Soviet Union on the halt of all nuclear tests so that 1986, the international year of peace, may see real progress on the road of prohibiting nuclear tests of disarmament."

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CSO: 4200/460

HUYNH TAN PHAT ATTENDS CATHOLIC CONFERENCE

OW240815 Hanoi VNA in English 0730 GMT 24 Dec 85

[Text] Hanoi VNA 24 Dec--A regular conference of the president and secretariat of the Committee for Solidarity of Patriotic Vietnamese Catholics (CSPVC) was held here early this month.

It was attended, among others, by Huynh Tan Phat, president of the Presidium of the Vietnam Fatherland Front. The president acclaimed the progress of the Patriotic Catholics' Movement and the contributions made by the CSPVC.

The conference unanimously noted that the international Catholic community has made many big changes. Noteworthy was the special session of the World Senior Bishop Council held in late November 1985 in honour of the 20th anniversary of the Vatican Council 2. A pastoral letter of the World Senior Bishop Council (WSBC) addressed to Catholics throughout the world was acclaimed early this month. Catholics in many countries have followed with great interest the WSBC and rejoiced at the new stance of the Vatican Council 2.

Vietnamese Catholics continue to show their attachment to the nation. Attention has been paid to reform practices incompatible with developments in the country. Thanks to the assistance of the people's administration and the Vietnam Fatherland Front, many Catholic activities have brought heartening results.

The Vietnamese Catholics' Movement for National Construction and Defence has made headway. Catholics in almost all dioceses have actively taken part in production. A great number of priests and a number of bishops have made active contributions to national construction and defence.

The foundation of the CSPVC has become an occasion for Catholics to demonstrate their patriotic achievements, whch have won sympathy from the majority of monks, priests and bishops. Patriotism is the only way for the world Catholic church to go since the founding of the Vatican Council 2 and for Vietnamese Catholics as defined in the pastoral letter of the Council of Vietnamese bishops' session held in 1980.

The conference issued a statement in response to the international year of peace 1986 initiated by the 40th session of the UN General Assembly and the program of action in the international year of peace of the World Peace Council, considering it a new effort to rally all states and international organizations in the struggle for the common objective of consolidating peace and averting nuclear war.

The statement condemned the U.S.-led imperialist forces for scheming to wage a nuclear war, implementing hostile policy towards nations, backing reactionary forces to oppose the peoples in Latin America and South Africa, causing tension in many regions in the world.

The conference hailed the Soviet Union and countries advocating a halt to all nuclear weapon tests, ending the production of nuclear weapons and germ warfare and gradually reducing and eventually eliminating all nuclear weapons on our planet.

On the occasion of Christmas this year, the CSPVC sent a letter to all Catholic bishops, priests and faithfuls in the whole country, noting that over the 40 years since the Vietnamese people gained independence and especially since national reunification in 1975, the Vietnamese Catholics have understood the significance of a life of peace and independence under the new system.

"We take this opportunity to express our love for God and the country. This is a good chance for Jesus Christ's gospel to be fully implemented in daily life", the letter said.

It continued: "We strongly condemn the imperialists and international reactionaries for causing tension everywhere in the world, threatening to push mankind to the brink of a nuclear disaster. We support nations struggling in defence of the right to live and we stand shoulder to shoulder with world progressive people in staying the bloody hands of warmongers, defending the sacred values that Christ has reserved for mankind."

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CSO: 4200/449

REPORT ON ACTIVITIES OF CATHOLICS IN HO CHI MINH CITY

OW250909 Hanoi VNA in English 0750 GMT 25 Dec 85

[Text] Hanoi VNA 24 Dec--Catholic followers, who account for half of the 270,000 population of Tan Binh precinct, Ho Chi Minh City, are building an ever more stable material and spiritual life under the people's administration. Lying in the northwestern part of the city, the precinct housed many important military headquarters of the former Saigon regime including Tan Son Nhat Airport, the general staff of the puppet army and other military installations. Tan Binh precinct, whose Catholics mostly lived around these military bases was considered the security belt of these places.

Before liberation, most of the precinct's population lived on small trade or other services. The whole precinct had only one cinema house while the authorities invested in hundreds of brothels and gambling houses in service of GIs and Saigon troops.

When the city was liberated, Tan Binh had 100,000 unemployed, 42,000 disbanded soldiers and civil servants of the old regime and about 10,000 victims of social vices. Moreover, many Catholics had a false idea about the revolution, as a result of distorted propaganda in the old regime.

At a recent meeting with newsmen, Mrs Truong My Hoa, secretary of the precinct's party organization, quoted Albert Einstein as saying: "To break a fixed idea is more difficult than to break an atom", she was speaking of the authorities' efforts in the early days of liberation to get into contact with the local people.

"Aware of their feelings", she continued, "we took great care of their material as well as spiritual life. Gradually many have come to understand the revolution and contributed to stabilizing the people's life".

To boost production and solve the problem of unemployment was the prime concern of the precinct authorities and mass organizations after liberation.

From a few handicraft establishments, the precinct developed textile, engineering, leather, food processing and other industries.

Tan Binh now has 2,000 handicraft establishments employing some 19,000 workers, most of them Catholics. There are in the precinct many cooperatives whose members are all Catholics have contributed a great deal to these achievements.

Catholic farmers in Tan Binh also have made active contributions to the building of a green belt on the city's outskirts. Most noteworthy was the building of a 300 hectare vegetable farm with state aid and contributions from the local population.

Together with revolutionary cadres, Catholics have joined in improving the cultural life of the people. Not only popular art troupes but also church choirs take part in art performances at cultural houses in the precinct.

Catholic followers in Tan Binh no longer worry about the revolution compelling them to give up their religion as claimed by reactionaries. Everyday, at five o'clock when church bells toll, the faithful go to the morning mass, after that they go to work. Children can go to church to attend services reserved for them in the afternoon.

Besides religious practice, Catholic women who previously only stayed at home take part in social activities. Half of the executive members of the women's union in the precinct's wards are Catholic. Ms Doan Thi Dieu, a Catholic of the Tan Sa Chau diocese, is the director of the Hoa Anh Dao Creche in Ward 2. She has been honoured with the title of "outstanding worker" for four consecutive years.

Ms Ha Kim Quyen of the Chi Hoa Diocese, president of the Women's Union of Ward 2, has also been honoured "outstanding worker" for three consecutive years for her active contributions to goods delivery at the market. Half of the 20,000 young people taking part in the army and the young volunteer labour forces of Tan Binh are Catholics.

Visiting Tan Binh these days, one can see the bustling atmosphere at all its dioceses. The Catholics are busy making lanterns and other things in preparation for the celebrations of Christmas, the eleventh Christmas in peace since liberation.

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CSO: 4200/449

NHAN DAN EDITORIAL MARKS VPA FOUNDING DAY

OW210759 Hanoi VNA in English 0728 GMT 21 Dec 85

[Text] Hanoi VNA Dec 21--The victories won by the Vietnam People's Army in the past years have further consolidated the revolutionary posture and forces of the three Indochinese countries and foiled the schemes of the Chinese expansionists and hegemonists in collusion with the U.S. imperialists and other reactionary forces, says NHAN DAN in its editorial today marking the 41st founding anniversary of the Vietnam People's Army.

The editorial continues:

The situation in the region and the rest of the world remains complicated. The enemy continues deploying its counterrevolutionary strategy, causing tension in many parts of the world. The Chinese expansionists and hegemonists in collusion with other reactionary forces always nurture the scheme of weakening and annexing our country and the two fraternal countries of Laos and Kampuchea, of late, they made no secret of their intention to oppose Vietnam for 100 years more. Their reactionary nature remains unchanged and they have not given up their dark designs. Our country is facing a situation in which peace and war co-exist. We must fight against their border-nibbling attacks and multifaceted war of sabotage, stand ready to defeat their war of aggression while fulfilling our internationalist obligation. In any circumstances, we have to implement the two strategic tasks: building and defending the socialist motherland and to continually strengthen our national defence and security. Our people's armed forces, upholding revolutionary heroism and upholding high vigilance, are prepared to defeat the enemy's war of any type, and defeat them right in the first battles on the frontline and in the first stage of the war".

The paper points to economic tasks of the army, namely to actively participate in productive labour, to practise economy so as to contribute to overfulfilling the 1986 state plan on socioeconomic development by closely combining economic development with national defence and vice versa.

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CSO: 4200/449

INTERNATIONAL RELATIONS, TRADE, AND AID

HA XUAN TRUONG ATTENDS HANOI PHOTO EXHIBIT

OW231738 Hanoi VNA in English 1548 GMT 23 Dec 85

[Text] Hanoi VNA 23 Dec--An exhibition of art photos on the three Indochinese countries under the theme of "land, people and friendship" opened here this afternoon.

Present were Ha Xuan Truong, alternate member of the Communist Party of Vietnam Central Committee, and head of the party Central Committee's commission for culture and arts; Hoang Tu Trai, secretary general of the Vietnam photographers' association; representatives of the Committee for Economic-Cultural Cooperation with Laos and Kampuchea and of the embassies in Laos, Kampuchea and other countries in Hanoi.

Also present were two delegations of Lao and Kampuchean photographers to the first art photo festival of the three Indochinese countries here, and others. On show are 162 photos, color and black and white, taken by 27 photographers, which describe the life, struggle, and national construction of the people of Vietnam, Laos and Kampuchea, as well as the militant solidarity among the three peoples and three armies.

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CSO: 4200/449

BRIEFS

PAPER MARKS 41ST ANNIVERSARY OF VPA--The Hanoi army paper QUAN DOI NHAN DAN Sunday [22 December] ran an editorial marking the 41st anniversary of Vietnam People's Army. The paper made a review of the activities by the Vietnam People's Army during the past 41 years and said in 1985 the Vietnam People's Army recorded many great achievements in fulfilling its strategic tasks of defending and building the motherland. The paper continued: While concentrating on the primary task of building the socialist homeland, the Vietnam People's Army should strengthen its fighting capacity, closely combine economy with national defense, while fulfilling international obligations toward the two fraternal countries of Laos and Kampuchea. [Text] [Hanoi International Service in English 1000 GMT 22 Dec 85 BK] /7358

INDIAN JUTE PROCESSING EQUIPMENT--India is selling cloth processing equipment to Vietnam. The contract is worth 3,610,000 rupees, Indian currency. First shipment has already left India containing deionizers, rolling machines, and weaving looms. Transfer of hardware will be completed in February 1986 with two more shipments scheduled in January and February respectively. This equipment will be operating in the jute processing factory in Vietnam named after the late Prime Minister Indira Gandhi. [Text] [Hanoi International Service in English 1000 GMT 22 Dec 85 BK] /7358

INDONESIAN ENVOY RECEIVED--Hanoi VNA 23 Dec--Ajohannes Petrus Louhanpessy, ambassador extraordinary and plenipotentiary of the Republic of Indonesia to Vietnam, today presented credentials to State Council Vice President Nguyen Huu Tho. The Vietnamese vice president had a cordial conversation with the Indonesian ambassador. Also present were Minister Vo Dong Giang and deputy director of the office of the National Assembly and the State Council Ile Trang. [Text] [Hanoi VNA in English 1621 GMT 23 Dec 85 OW] /7358

LETTERS, GIFTS RECEIVED FROM HUNGARIANS--Hanoi VNA 23 Dec--A ceremony was arranged in Hanoi today by the Department for Youth Work of the General Political Department of the Vietnam People's Army to receive letters and gift from the youth in the Hungarian People's Army to Vietnamese Xung armymen. Present on the occasion was Major General Chu Tu Di, on behalf of the general political department of the VPA. The military attache of the Hungarian embassy here handed over the letters and gift to Colonel Nguyen Van Thuoc, head of the department for youth work. The gift includes 100 bicycles. [Text] [Hanoi VNA in English 1631 GMT 23 Dec 85 OW] /7358

CZECHOSLOVAK SCHOOLS PROMOTE CONTACTS--Hanoi VNA 23 Dec--A ceremony was recently held in Ho Chi Minh City to mark the twinning of the Tran Hung Dao Basic General School in the first precinct of Ho Chi Minh City with the Secondary School No. 28 on Ho Chi Minh Street in Bratislava, Czechoslovakia. The twin schools will exchange letters and articles written and made by their teachers and students. Publications about the two cities will be disseminated to the two schools. The School No. 28 has set up a Czechoslovak-Vietnam friendship section and the school's young pioneer team has a new name, the Czechoslovakia-Vietnam friendship pioneer team. [Text] [Hanoi VNA in English 1604 GMT 23 Dec 85 OW] /7358

FRIENDSHIP MEDALS TO SOVIET PROFESSORS--Hanoi VNA 25 Dec--The Vietnamese Council of Ministers has recently presented the friendship medal to 14 Soviet professors and associate professors for their assistance in personnel training in the Central Higher Administration School. The presentation was made by Duong Van Dat, director of the school, on the occasion of the closing of the fifth course, the last of its five-year training plan. The Soviet experts, who were from the Institute of State and Law under the Soviet Academy for Sciences and the Soviet Academy for Social Sciences, had (?helped) train [words indistinct] Vietnamese cadres as well as members of the school's teaching staff. [Text] [Hanoi VNA in English 1534 GMT 25 Dec 85 BK] /7358

LE DUAN GREETS ISRAELI CP OFFICIAL--Hanoi VNA 24 Dec--Le Duan, general secretary of the Communist Party of Vietnam Central Committee, today extended his warmest congratulations to Meir Wilner on his reelection as general secretary of the Israel Communist Party Central Committee. Le Duan wished his Israeli counterpart the best of health to successfully carry out, together with the Central Committee of the Israeli Communist Party, lofty tasks set forth by the party's 20th congress. [Text] [Hanoi VNA in English 1538 GMT 24 Dec 85 OW] /7358

WHO FLOOD RELIEF TO BINH TRI THIEN--Hanoi VNA 24 Dec--The World Health Organization has announced that it will send to storm-stricken people in the central Vietnam province of Binh Tri Thien two sets of medical appliances and a quantity of medicines worth U.S. $30,090, enough to service 10,000 people within three months. [Text] [Hanoi VNA in English 1558 GMT 24 Dec 85 OW] /7358

GREETINGS TO INDIA'S CPI-M--Hanoi VNA 25 Dec--The Central Committee of the Communist Party of Vietnam has sent warm greetings to the 12th congress of the Communist Party of India-Marxist (CPI-M). The message says: "Over the past years, the CPI-M has made important contributions to the Indian people's struggle for independence, territorial integrity and prosperity of the country, and to the common struggle of the people in Asia and the world for peace, national independence, democracy and social progress. "We rejoice at the achievements made by the CPI-M and believe that it will gain new successes in its noble revolutionary (?use). "May the militant solidarity, friendship (?and) cooperation between the two (?parties and people be further consolidated) and developed." [Text] [Hanoi VNA in English 1536 GMT 25 Dec 85 BK] /7358

FRIENDSHIP ORDER ON SOVIET ACTIVISTS--Hanoi VNA 25 Dec--Vietnamese charge d'affaires A.I. to the USSR Nguyen Van Quang, on behalf of the Vietnamese State Council, has presented several Soviet social activists with "friendship order" [as received] in recognition of their contributions to the Soviet people's movement in support of Vietnam. The recipients included K.Yu. Natskiavichus, president of the Soviet Committee for Support to Vietnam, Laos and Kampuchea, Gen N.G. Lyachenko, first vice president of the committee; A.S Zassokhov, vice president of the Soviet APPSO Committee; and B.I. Chushin, professor of the Institute of National Economy under the Soviet Council of Ministers. The recipients thanked the Vietnamese State Council for the award and affirmed their up most [as received] to contribute to enhancing the solidarity, friendship, cooperation and mutual assistance between the peoples of the Soviet Union and Vietnam. [Text] [Hanoi VNA in English 0658 GMT 25 Dec 85 OW] /7358

MPR OFFICIAL VISITS 13-24 DEC--Hanoi VNA 25 Dec--Colonel Samdan, deputy head of the Political Department of the Mongolian People's Army, visited Vietnam from 13-24 December at the invitation of the General Political Department of the Vietnam People's Army. While here, he was received by Lieutenant-General Nguyen Nan Khanh, member of the Communist Party of Vietnam Central Committee and deputy head of the host department. [Text] [Hanoi VNA in English 1538 GMT 25 Dec 85 BK] /7358

SOVIET AMBASSADOR DECORATES OFFICIALS--Hanoi VNA 25 Dec--The Presidium of the Supreme Soviet of the Soviet Union recently awarded the "Friendship Between Nations" order to Mrs Nguyen Thi Thap, honourary president of the Vietnam Women's Union, and Nguyen Ho, vice-president of the Vietnam-USSR Friendship Association and president of the Ho Chi Minh City branch of the association. The order was presented by B.N. Chaplin, Soviet ambassador to Vietnam, at a ceremony held at the Soviet Consulate General in Ho Chi Minh City on Monday. In his speech B.N. Chaplin appreciated the contributions of the recipients to the consolidation and development of the solidarity, friendship and all-sided cooperation between the communist parties and the peoples of Vietnam and the Soviet Union. [Text] [Hanoi VNA in English 1530 GMT 25 Dec 85 BK] /7358

NGUYEN CO THACH IN PHNOM PENH--Hanoi, 26 Dec (VNA)--Foreign Minister Nguyen Co Thach arrived in Phnom Penh this morning for an official friendship visit to Kampuchea. With Nguyen Co Thach, who is alternate member of the Political Bureau of the CPV Central Committee and on behalf of [as received] the Vietnamese State Council, are Luu Van Loi, head of the Border Department under the Council of Ministers, and other senior Vietnamese officials. The Vietnamese guests were welcomed to the Pochentong Airport by Kong Korm, member of the Central Committee of the People's Revolutionary Party Kampuchea [PRPK] and first vice foreign minister, and other high-ranking Kampuchean officials. Right after his arrival, Nguyen Co Thach and his party were cordially received by Hun Sen, Political Bureau member of the PRPK Central Committee, chairman of the Council of Ministers and minister of foreign affairs. This afternoon, the Vietnamese delegation had working sessions with its Kampuchean counterpart at the Chomcamon Palace in Phnom Penh. [Text] [Hanoi VNA in English 1559 GMT 26 Dec 85] /9604

VISIT BY MPR ARMY PAPER OFFICIAL--Hanoi, 27 Dec (VNA)--Colonel P. Baragnay, editor-in-chief of the newspaper ULAAN OD (RED STAR) of the People's Army of Mongolia, has paid a 2-week visit to Vietnam. During his stay here, the Mongolian guest laid a floral tribute at the Ho Chi Minh Mausoleum, and visited the late president's house and office. He was received and had a cordial conversation with Senior Lt Gen Tran Van Quang, vice minister of defence. Colonel Baragnay had working sessions with the editor-board of the Vietnamese Army paper QUAN DOI NHAN DAN, toured several army units and economic establishments in Hanoi, Ho Chi Minh City and some provinces. [Text] [Hanoi VNA in English 0709 GMT 27 Dec 85] /9604

CSO: 4200/452

AGRICULTURE

SRV, FAO AGREE ON AFFORESTATION PROJECT

OW241641 Hanoi VNA in English 1552 GMT 24 Dec 85

[Text] Hanoi VNA 24 Dec--The Vietnamese Ministry for Forestry and the United Nations Food and Agricultural Organization (FAO) signed here today, a draft project codenamed "2780" on the protection of agricultural lands and the environment by afforestation of sandbanks and bare hills in the provinces of Nghe Tinh, Binh Tri Thien and Quang Nam - Da Nang.

Signatories were Tran Van Que, deputy minister for forestry, and Andres Roejkaer coordinator of development activities of the United Nations and representative of F.A.O. in Vietnam.

Under this program, FAO will supply Vietnam with 44,626 tons of wheat flour valued at 13,858,000 dollars to support the program of covering (?8,090) hectares in the above-said localities with pine, fir and sandal trees.

Earlier, FAO and the Vietnamese ministry for forestry had signed a document of the same project providing Vietnam with grants for the purchase of seeds and polyethylene for sapling bags.

/7358
CSO: 4200/449

AGRICULTURE

BRIEFS

CENTRAL HIGHLANDS COFFEE GROWING--Hanoi, 26 Dec (VNA)--The Central Highlands is the biggest coffee producer in Vietnam. Under the state plan, in the 5 years to come, the coffee acreage in the whole country will be expanded to 150,000-200,000 ha, chiefly on the Central Highlands, with a targeted output of 120,000-150,000 tons of beans. The Central Highlands is ideal for coffee growing. Its 1.3 million hectares of Basaltic soil accounting for a quarter the land area is generally sloping under 25 degrees, and has a layer of basalt more than 70 centimeters thick, forming large tracks of basaltic land from 300-800 meters above sea level. At such an altitude, the coffee areas in the Central Highlands have, generally speaking, a medium average temperature (Buon Ma Thuot, 24.3 degrees, Pleiku: 22.2 degrees, Bao Loc: 21.2 degrees), which is suitable to the coffee plant. Another propitious condition is the fairly high disparity between the day and night temperatures which accelerates the photosynthesis process and exerts a salutary effect on the quality of coffee. In Darlac and Gia Lai-kon Tum Province coffee is mostly planted on fertile lands near water sources while rubber is planted on poorer lands far from water sources. In Lam Dong Province, especially in Bao Loc and Di Linh districts, three kinds of plants are grown: coffee on fertile and sloping lands, mulberry on fertile and flat lands and tea on poorer lands. From 1982-84, the Union of Coffee Enterprises under the Ministry of Agriculture put more than 9,000 ha in Darlac and Gia Lai-Kontum under coffee. In 1984 alone, the union planted 3,830 ha, double the 1983 figure and up by 2.7 times compared with 1982. [Excerpts] [Hanoi VNA in English 0704 GMT 26 Dec 85]
/9604

CSO: 4200/452

HEAVY INDUSTRY AND CONSTRUCTION

BRIEFS

MEKING RIVER DELTA BRIDGE--Hanoi VNA 24 Dec--The 281m-long ferro-concrete Mang Thit Bridge--the longest so far in the Mekong River Delta--was opened to traffic in Cuu Long Province on 19 December, 34 days ahead of schedule. This helps raise the total length of bridges built in 1985 to a record figure. So far this year, the Central Transport Building Service has built 82 bridges with a total length of 6,874 metres. The biggest projects completed this year are the Thang Long Bridge built with Soviet assistance and the Chung Duong Bridge designed and built by Vietnamese. Four other big bridges were also opened to traffic: The Ghep and Ron bridges on Highway 1, the Mai Linh Bridge on Highway 6, and the Mang Thit Bridge on Highway 70. In addition, 13 small and medium-sized bridges were built and 43 railway bridges repaired. The transport construction services in many localities have also built 778 bridges with a total length of 12,130 metres and repaired 428 others totalling 8,867 metres in length. [Text] [Hanoi VNA in English 0727 GMT 24 Dec 85 OW] /7358

CSO: 4200/452

SWEDISH AGENCY REPORTS ON BAI BANG WORK CONDITIONS

Stockholm DAGENS NYHETER in Swedish 10 Nov 85 p 7

[Article by Matts Dahlstrom: "Bai Bang Workers Lack Equipment"]

[Text] Vietnamese female woodcutters at the Bai Bang Swedish aid project work under the conditions of a constant acute shortage of fluids at temperatures close to 36 degrees, in which they lose 1.6 liters of water, corresponding to 3.2 percent of body weight, during one shift.

The dehydration increases heart activity by as much as 25 beats per minute, which contributes substantially to aggravating the physical stress.

Bai Bang's native woodcutters furthermore lack saws. They must fell trees with axes, and they have neither rubber boots nor raincoats during the difficult cutting shifts in pouring rain, which can occur 10-20 days per month.

This is made clear by a recent research report by the Swedish labor protection agency, which sent its own investigators to Vietnam's woodcutting brigades to study the kind of physical stresses under which the Vietnamese woodcutters at Bai Bang are living.

No Containers

The report ends with the proposal that the woodcutters in Vietnam, about 70 percent of whom are women, some pregnant, should receive rubber boots and raincoats, along with water flasks, so that their productivity can be increased.

It was the serious lack of water that moved labor protection agency investigator Ewa Wigaeus Hjelm when she visited the Vietnamese woodcutting brigade consisting of 36 men, 69 women, and 180 children.

"It was due to a crying lack of water flasks and containers," Ewa Wigaeus Hjelm told DAGENS NYHETER. "I had one and a half liters of water with me for my own use, and I was dying of thirst. The ten Vietnamese woodcutters, two men and eight women, three of whom were two to five months pregnant, drank a deciliter each during the whole hot logging shift under the burning sun, which is completely inadequate.

"I saw Swedish aid workers throwing beer cans out of their cars, and at first I really had a poor opinion of that. But the beer cans were picked up in no time by the Vietnamese, who in this way obtained drinking containers, so throwing out beer cans can actually be considered a good deed," Ewa Wigaeus Hjelm thought.

They Pick Up Trash

In order to understand the extent of the shortages experienced by the Vietnamese at Bai Bang, one can note that the Swedish aid workers' garbage dump near the camp is emptied out to the point that there is not a single trash bag left when twilight falls, she explained further.

The ten Vietnamese woodcutters were hand picked for the Swedish labor protection agency's physiological studies. Their oxygen absorption, heart activity, etc. were tested.

They had very good oxygen absorption, and were well trained. Their heart activity, however, was consistently high, due to the extreme heat and lack of water.

In purely physical terms, the Vietnamese woodcutters stood well in comparison with Swedish and Indian workers.

Demanding

This is how the labor protection agency sums up the situation at Bai Bang:

"Logging is very demanding for these workers due to the physically heavy work, the heat stress, and the loss of water through perspiration.

"The total work stress can be reduced without a decrease in productivity through more numerous but shorter rest periods, along with increased water intake. By providing the workers with rubber boots and rain coats, increased productivity could even be achieved by making fixed work schedules possible even on rainy days, which are relatively numerous each year."

9909
CSO: 3650/55

VNA SAYS HANOI'S CATHOLICS CELEBRATE CHRISTMAS

OW241627 Hanoi VNA in English 1554 GMT 24 Dec 85

[Text] Hanoi VNA 24 Dec--On the occasion of Christmas 1985, Hanoi People's Committee, Fatherland Front Committee and the local Committee for Solidarity of Patriotic Vietnamese Catholics have sent their deputations to visit many Catholic parishes and Catholic families with meritorious services to the revolutions.

With the help of the local authorities, all the churches inside and outside the capital have been beautifully decorated for the occasion.

The city committee for Solidarity of Patriotic Vietnamese Catholics also held a meeting to review its work over the past year. It warmly welcomed the active contributions of Hanoi Catholics to the implementation of the government and city policies.

In the central Vietnam province of Binh Tri Thien, a joint delegation of the Fatherland Front Committees of the province and its capital, the old imperial city of Hue, which were recently hit by a devastating storm, has paid a courtesy visit to the bishops and priests in the diocese.

The delegation also paid visits to various churches in Hue City.

/7358
CSO: 4200/449

POPULATION, CUSTOMS, AND CULTURE

BRIEFS

HANOI PROTESTANTS' CHRISTMAS CELEBRATIONS--Hanoi VNA 24 Dec--The Vietnam Protestants Association and its Hanoi branch held a ceremony here tonight to celebrate Christmas 1985. Finnish Ambassador to Vietnam Esko Antero Lipponen and his wife, Canadians working in various United Nations organizations in Hanoi and other foreign guests, were in attendance. Speaking at the ceremony, Minister Bui Huynh Thu, vice president and general secretary of the Vietnam Protestants Association, expressed his gratitude to the Vietnamese party and state for their assistance in the repair of the main protestant church in Hanoi and other activities of the association. He called on Vietnamese protestants to actively take part in the struggle for peace and against war. [Text] [Hanoi VNA in English 1559 GMT 24 Dec 85 OW] /7358

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Southeast Asia Report

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CHAMBER OF COMMERCE MISSION LEAVES FOR BEIJING

Jakarta BUSINESS NEWS in English 15 Nov 85 p 8

[Text] A mission of Kadin (Indonesian Chamber of Commerce & Industry), consisting of a number of Indonesian businessmen, is leaving here for China on November 15, 1985, to visit a fair in Beijing and to make direct trade contacts between Indonesia and China.

Kadin has decided to send trade missions to China as part of the efforts to expand the marketing of Indonesian commodities to that most populous country.

The timing of the visits is one of important factors in seeking greater opportunities to penetrate the Chinese market, especially in view of the fact that a lot of countries are currently competing to promote trade relations with China which is just open to international trade.

Japan, for instance, has engaged in cooperation with China in oil exploration /exploitation and in the processing of soybean. China consumes million of tons of soybean for food every year, but there is still no big or modern soybean processing plant in that country.

The timing of offering any kinds of products is a decisive factor in leading to successful trade. Offering plywood when a construction has been completed, for instance, is of course useless.

The Chinese market itself has not shown continuity. China used to implement the decentralization system, but it caused the fall in China's foreign exchange earnings, for many regions have used their freedom by buying a lot of durable consumer goods. Therefore, the Chinese Government put on the brake to reduce much the purchase of goods.

For Indonesia, selling manufactured goods to China is likely not so smooth, as among the developing countries China ranks fourth after Korea, Hongkong and Singapore. Taiwan is not mentioned.

A lot of problems,• such as security, make China still not fully open to international trade. Such a condition is reflected by the attitude of the Chinese Government, which has not given any comment or official information about the opening of direct trade.

It is clear, therfore, that direct trade with China will not soon result in a great leap forward. Everything must be reached with struggle. It is necessary to examine whether direct shipment is more beneficial than transhipment.

Communication is a basis for the opening of new opportunities, because the market is still flexible for China and other sides. Singapore, for example, has opened direct flight to China.

/9274
CSO: 4200/404

TRADE FIGURES WITH COMECON COUNTRIES

Jakarta BUSINESS NEWS in English 15 Nov 85 p 9

[Text]

Indonesia, which adopts the free and active policy, has for four decades engaged in trade and even bilateral trade agreements with socialist/communist countries grouped in COMECON (Council for Mutual Economic Assistance).

The Indonesian Government still goes ahead with trade activities with the Comecon countries after the aborted G-30-S communist rebellion in September 1965. Indonesia is currently involved in trade activities with 18 COMECON countries, including 11 countries registered as full members of the council.

The 11 full members of COMECON involved in trade activities with Indonesia are: The Soviet Union, Bulgaria, Romania, Poland, Hungary, Czechoslovakia, East Germany, Albania, Cuba, Mongolia and Vietnam. One of the 18 countries, Yugoslavia, is an extraordinary member of the council.

The value of trade between Indonesia and the 18 socialist/communist countries stood at about US$ 292.6 million in 1974, comprising US$ 37.8 million worth of Indonesia's exports and US$ 254.8 million worth of Indonesia's exports. This means that Indonesia sustained a deficit of US$ 217 million in trade with socialist/communist countries in 1974.

But in 1984 the value of trade between Indonesia and those 18 countries jumped to US$ 536.7 million. Last year Indonesia sustained a deficit of about US$ 153.2 million in trade with those countries.

The balance of trade between Indonesia and 18 socialist/communist countries in 1984 is as follows: (in US$,000)

Socialist/Communist countries	1 9 8 4	
	Ind. exports	Ind. imports
North Korea	16,146.9	12,101.6
PRC	7,666.9	224,42.4
Cambodia	-	0.1
Laos	3.8	-
Vietnam (North)	1,980.3	1,574.2
Afghanistan	-	0.1
Yemen	943.4	3.6
Ethiopia	371.8	8.1
Cuba	-	0.2
Czechoslovakia	14,233.6	9,235.2
East Germany	8,349.8	2,256.4
Hungary	16,652.6	10,242.3
Poland	6,933.5	14,337.4
Romania	46,175.8	49,131.9
Bulgaria	816.2	2,104.1
Soviet Union	58,696.1	12,119.1
Yugoslavia	12,775.6	7,429.2
Albania	-	1.1
Total	191,746.3	344,965.0

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JAPAN'S HESITATION TO MAKE MORE INVESTMENTS EXAMINED

Jakarta BUSINESS NEWS in English 13 Nov 85 pp 3, 4

[Text] "Japanese entrepreneurs at present seem to be very much worried about the economic situation in Indonesia; they therefore become hesitant to make capital investments." This was concluded by the General Chairman of KADIN Indonesia at the end of a meeting with a large number of Japanese businessmen in Bali last week.

Such a tendency in the Japanese business sector has been noted for quite some time. Japan has great capital investment interests in Indonesia. It tops the list of foreign investments (PMA) in Indonesia.

Japan's biggest investments involve industries, especially textile, automotive, and electric and electronic industries. Its biggest PMA project is in the aluminium smelting plant in Asahan.

The fate of this industry has worsened since 1982 when Indonesia was hit by the protracted recession. Even at present its normal growth has not been regained yet, and the prospect for next year remains gloomy. In fact, the entire national industry has suffered rather than only Japan's PMA companies. Japanese firms are still stronger because of their higher efficiency. However, owing to the weak market and the greater part of capacities being idle, their profit margin is accordingly reduced. Japan still complains that most of their PMA firms in Indonesia have registered losses for the last several years. What made their "losses" even greater were the consequences of the rupiah devaluation in 1978 and 1983; particularly in 1983 because the government did not provide special depreciation faci lities to reduce their losses. The devaluation losses resulted from the element of debts that remained big, and their instalments and interest had to be paid in the rupiah, which swells following any devaluation.

Hence the main reason for Japan's hesitation in making new investments in Indonesia is the economic prospect for the coming one to two years, instead of political stability. If Indonesia's economic prospect is engulfed by the (great) likelihood of low growth and another devaluation (in case oil prices drop), then Japan prefers to wait and see. The Japanese will give priority to rescuing the existing investments by further enhancing the efficiency of their companies, if necessary by making additional investments, before considering significant amounts of new investments.

The Indonesian government is expected to improve the business climate for PMA firms, especially by lessening restrictions on their scopes of operation. PMA have indeed been restricted in several areas, such as the prohibition to be engaged in domestic distribution themselves, to obtain rupiah credits from state banks, the limited freedom to employ foreign experts, the obligation to offer most of their shares to Indonesian partners within ten years, and so on. On this narrowing market and with the uncertainty in the rupiah exchange rate, all these operational constraints increase their risks. Consequently, they become less enthusiastic in making new investments here.

Will Japan be "withdrawing" from Indonesia as a major investor ? Definitely not. Japan will continue to regard Indonesia as the most important country in Southeast Asia whose long term future is fairly promising. Is Japan going to invest its capital in other countries ? A strong flow of investments in already noticeable, leading to the US, Canada and Europe, notably because the markets in these countries are a lot vaster and Japan has to offset restricted exports to these destinations. So the Japanese PMA also consti tute import substitution industries as the ones already set up in Indonesia. The difference is that such industries have begun to get saturated in Indonesia.

Are Japanese investments also leading to the other developing nations in East and Southeast Asia in significant amounts ? They are not either. The whole of Southeast Asia is undergoing the same recession, and NICs are no exception. Possibly Japan is interested to make major investments in the PRC, but the Japanese remain very cautious because they are not yet sufficiently convinced of the stability of its economic climate (policy) & the business climate for PMA.

Hence Japan actually has plenty of surplus funds for investments in Indonesia as long as the PMA climate and the business climate favours PMA. In fact, the same also applies to US and European interests in Indonesia. Quite a number of missions have visited here of late to explore the investment (and trade) climate in Indonesia. The number of applications for PMA projects has also started to rise again.

If we are patient, and no economic upheavals take place next year, and furthermore, if the government keeps on improving the investment and business climate, capital investments will again be on the increase.

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INDONESIA

PLANTATION SECTOR SHORT OF WORKERS

Jakarta BUSINESS NEWS in English 13 Nov 85 p 8

[Text]

The Chairman of the Association of Indonesian Plantation Management (HIMAPI), W.L. Siagian, disclosed here resently that there had so far been no dismissal of workers in plantation companies, for the plantation sector was currently short of workers.

The lack of skilled workers for the handling of plantations, particularly in isolated and hinterland areas, has hampered the development of plantations, the HIMAPI chairman said further.

The shortage of skilled workers in the plantation sector will not only cause the fall in the production of plantation commodities, but also arouse socio-political impacts, like what happening in the neighbouring countries which produce the same plantation commodities as those yielded in Indonesia, he explained.

Manpower investment in the plantation sector is relatively cheaper that manpower investment in other sectors, particularly for Indonesia which has a big population, he revealed.

Geographically, Indonesian climate and land territories are ideal for the development of plantations, not only to ensure the improvement of people's livelihood, but also to increase foreign exchange earnings from nonoil/gas exports, he ponted out.

Plantation found in Indonesia covered about 9,170,000 ha in 1984, of which 87% consisted of smallholders' plantation, 7.5% consisted of plantations belonging to PTP/PNP (state-run plantation companies) and 5.5% consisted of plantations managed by private companies.

At least 3 million skilled workers are needed to handle 9,170,000 ha of plantations, Siagian said, adding that if each skilled worker served as a head of family, there were around 15 million of people depending their life on growing plantation commodities.

The expansion of plantations in Indonesia in Pelita III (third five-year development plan - 1979/80 to 1983/84) reached around 1.6 million ha, and the effort to expand plantation will be intensified in the current Pelita IV and the next five-year periods of Pelita.

Siagian mentioned the need to create more skilled workers for the handling of plantations to support the expansion of the planting of plantation commodities.He also stated the need to give priority to the development of the plantation sector in the country.

He pointed out that in the current difficult situation, when a lot of companies had to reduce the number of their workers, the plantation sector needed an addition of a great number of workers, particularly in isolated areas. Thus the plantation sector is a potential field for the expansion of job opportunities,he added.

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INDONESIA

MINERALS PRODUCTION FIGURES 1980-1984

Jakarta BUSINESS NEWS in English 13 Nov 85 p 9

[Text]

The production of three of nine kinds of minerals in Indonesia, namely copper ore, iron sand concentrate and coal, showed an increase in 1984 compared with that in 1981.

Six other kinds of important minerals Indonesian produces are petroleum, tin concentrate, nickel ore, bauxite, gold and silver ore. Compared with 1983, the production of coal, bauxite and silver was up last year.

The production of bauxite rose by around 28.96 percent from 777,900 metric tons in 1983 to 1,003,200 metric tons last year, the production of coal increased almost threefold from 485,700 tons in 1983 to 1,084,700 tons in 1984, and the production of silver ore went up by about 11.48 percent from 1,793,700 kg in 1983 to 1,999,700 tons last year.

The production of crude oil, tin concentrate, copper concentrate, nickel ore, iron sand concentrate and gold fell last year as against that in 1983.

The production dropped from 490.5 million barrels to 435.4 million barrels for crude oil, from 26,600 metric tons to 23,200 metric tons for tin concentrate, from 205,000 metric tons to 190,300 metric tons for copper ore, from 1,298,000 metric tons to 1,066,800 metric tons for nickel ore, from 124,900 metric tons to 82,900 metric tons for iron ore and from 259,500 kg to 239,100 kg for gold.

The production of nine kinds of minerals from 1980 to 1984 is as listed below :

MINERALS	1980	1981	1982	1983	1984
1. Crude oil (million barrels)	577.0	584.8	488.2	490.5	435.4
2. Tin concentrate (.000 m.tons)	32.5	35.4	33.8	26.6	23.2
3. Copper ore (.000 m.tons)	186.1	188.5	223.7	205.0	190.3
4. Nickel ore (.000 m. tons)	1,537.4	1,543.2	1,640.9	1,298.0	1,066.8
5. Bauxite (.000 m.tons)	1,249.1	1,203.4	700.2	777.9	1,003.2
6. Iron sand concentrate (.000 m.tons)	62.9	86.8	144.5	124.9	82.9
7. Coal (.000 m.tons)	304.0	350.4	480.9	485.7	1,084.7
8. Gold (.000 kg).	247.9	183.1	222.7	259.5	239.1
9. Silver (.000 kg)	2,195.9	2,000.2	3,057.9	1,793.9	1,999.7

Source: The Department of Mining & Energy.

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INDONESIA

PLYWOOD INDUSTRY FLOURISHING DESPITE RECESSION

Jakarta BUSINESS NEWS in English 15 Nov 85 pp 7,8

[Text] Despite the recession reflected by the fall in the prices of commodities and the dismissal of workers, Indonesia's exports of plywood, including blockboard & veneer, tend to increase in volume and value, Chairman of Apkindo (Indonesian Timber Panel Association) Bob Hasan told newsmen here recently.

The increase of plywood exports, according to the Apkindo chairman, partly results from the success made by Indonesian exporters in penetrating new markets. He also pointed out that the price of plywood was stable thanks to the awareness of traders of the need to avoid unfair competition by preventing offering too low prices for their products.

Bob Hasan revealed that good management and marketing mechanism was needed to guarantee the success in carrying out export drive in the marketing of timber products which showed a bright prospect.

Indonesia's plywood exports stood at 2,673,784.2 cu.m. worth US$ 581,150,554.50 in the first nine months of this year, an increase of about 24.6 percent in volume and 22.5 percent in value as against 2,146,705.7 cu.m. worth US$ 474,321,871 in the corresponding period of 1984.

The biggest increase in Indonesia's exports of plywood is recorded in the supply to Japan, which indicated an increase of 173.2 percent in volume and 185.0 percent in value in the same period. The increase was also recorded in the supply to the United States, Britain, Europe, Ko rea, Hongkong/China and Australia. But Indonesia's exports of plywood to the Middle East, North Africa, Taiwan and Singapore dropped in value, though the export volume was up by 9.9 percent.

Thanks to the export drive launched by Indonesian businessmen, Indonesian plywood has penetrated Japan, Taiwan, Australia, Sri Lanka and Romania this year. Indonesia's exports of plywood to those countries stood at 61,679.3 cu.m. in September/October 1985, a decline of around 6.8 percent compared with 66,186.0 cu.m in the same month last year.

Indonesia is now dominating 70% of the marketing of plywood in the world. The total installed capacity of 110 plywood plants in Indonesia is 6 million cu.m, but those plants are currently operating with a real total capacity of 4.5 million m3, because several of them are still weak in management.

Bob Hasan admitted that the recession had reduced profits gained by plywood producers. But he stressed the importance of preventing the plywood industry from the dismissal of workers, and pointed out that there had so far been no termination of labour relations in the wood processing industry. Several plywood producers have even increased the number of their workers, he added.

The Apkindo chairman mentioned, among others, a plywood producer which recruited 300 new workers on November 1, 1985, and another plywood industrial company which was planning to receive 1,000 more workers in the beginning of 1986 to operate its third plant.

Twenty-five plywood plants are now still under construction and the construction of 37 more plywood plants are still under preparation. Twenty out of the 25 plants are expected to be completed in 1986.

Logs, as the basic material of the plywood industry, is abundantly available in Indonesia. In the procurement of this basic material, Indonesia implements a selective tree-felling system. The cutting of trees in each hectare of forests has been determined at no more than six trees with a diameter of no less than 60 cm. With such a system, the first tree-felling in every part of the forests will be followed by the second tree-felling after 35 years, Bob Hasan explained.

He confirmed it was not true that the plywood industry was short of basic material. The fact that Indonesia lags behind other countries in developing the plywood industry, 30 years later than the Philippines, is a blessing in disguise,he said.

The Apkindo chairman expressed confidence that the prospect of plywood exports was very bright for Indonesia, especially in view of the fact that other plywood exporters could no longer promote their exports.

In Singapore, for instance,only one of 46 plywood producers is still capable of maintaining its operation, while in Taiwan only 50% of 100 plywood plants still operate. In South Korea,only eight of 60 plywood plants still survive. .In Japan, 125 of 300 plywood plants are still productive.

A great number of plywood plants in those countries have to stop their operation as a result of the Indonesian policy to discontinue log exports. If 200 plywood plants operate in Indonesia, the plywood industry in this country will face no problem in the procurement of logs as a basic material, Bob Hasan expressed his optimism, adding that this field of industry also would not face difficulties in the recruitment of workers and in fixing sufficient wages.

Bob Hasan expressed the hope that the Apkindo members would be able to utilize to the optimum the opportunity to promote plywood exports. The member of the association have agreed to set up PT Fendi Indah, a company which will serve as a trading house for panel products.

To boost the expansion of plywood exports, an incentive amounting up to US$ 5 is provided for the export of each 1 cu. m. of plywood to the new market. The provision of incentives is of importance to the effort to penetrate new markets, the Apkindo chairman said.

In this context, he pointed out that Japan needed around 7 million m3 of plywood every year. Indonesian plywood exporters can be considered successful if they can fulfil 15% of Japan's need for plywood, or about 1 million m3 a year without disturbing the operation of plywood plants in that East Asian state.

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CSO: 4200/404

ROK COMPANY TO SET UP REFRACTORY BRICK PLANT

Jakarta BUSINESS NEWS in English 15 Nov 85 pp 9, 10

[Text]

A South Korean company, Chosun Refractory Co. Ltd., is planning to set up an industrial plant in Cilegon, West Java, which will produce refractory materials. To be built in the Krakatau Industrial Estate, the plant which will be equipped wity modern instruments and facilities will produce around 25,000 tons of refractory bricks a year.

The construction of the plant is scheduled to start in 1986 and the project is expected to be completed at the end of 1988, and the plant will be able to start its commercial production in the beginning of 1989. Based on the latest calculation, the plant will be entirely completed at a total cost of around US$ 11 million.

The plant will be built and managed by PT Genindo REfractories, a joint venture between PT Genindo Nusantara Citra (Indonesia) and Chosun Refractory Co.Ltdl. (South Korea). PT Genindo Nusantara Citra, member of the Bimantara Group, will own 75 percent of capital invested in the joint venture company, while the remaining 25 percent of the capital will be held by the Korean partner.

The foreign partner will seek a foreign loan totalling US$ 7.7 million for the procurement of capital to be invested in the plant. The remaining US$ 3.3 million out of the total capital investment worth US$ 11 million will consist of the capital of the Indonesian and Korean companies.

Greater part of refractory bricks to be produced by the plant will be supplied to steel processing units and other metal processing plants found in and around the Krakatau Industrial Estate. PT. Krakatau Steel and its subsidiary companies have so far been the biggest consumer of refractory bricks.

PT Cold Rolling Mill Utama, an industrial company which is planning to begin producing steel plates by 1988, will consume a large volume of refractory bricks.

The construction of the plant which will produce refractory bricks will reduce the dependence of Indonesia on import in the procurement of that material. Indonesia's imports of refractory bricks rose by about 46.1 percent from 38,207 tons in 1983 to 55,817 tons last year.

Indonesia's imports of refractory bricks reached the peak of 59,087 tons worth US$ 47,905,000 in 1981. The development of Indonesia's imports of refractory materials from 1980 to 1984 is as follows:

Year		Refractory brick /tile & the like	Head insulating brick	Others
1980	tons	48,779	3,296	1,709
	US$'000	29,927	2,783	2,226
1981	tons	38,927	15,506	4,654
	US$ '000	25,317	18,457	4,131
1982	tons	38,622	10,007	2,833
	US$ '000	23,350	7,383	1,713
1983	tons	30,702	4,290	3,215
	US$ '000	21,410	2,757	3,747
1984	tons	46,985	3,783	5,049
	US$ '000	28,447	3,875	4,284

Source: BPS (Central Bureau of Statistics).

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INDONESIA

WAYS TO PROTECT DOMESTIC INDUSTRY DISCUSSED

Jakarta BUSINESS NEWS in English 20 Nov 85 p 3

[Text]

The "Kompas" daily last week carried an interview with a key official of the Ministry of Trade. The official said that "the Ministry of Trade in fact only wants to provide protection by tariff duties for the domestic industry". This statement is important because it has for the first time reflected the position of a department concerned with the realisation of a system of protection for the domestic industry.

Strangely, the key official making the important statement declined to be identified. This is most likely because the problem is still sensitive among the government/department circles themselves, in the sense of the absence of agreement.

The ministries concerned with the problem of protection are those of trade, finance and the technical department (referring frequently to the ministry of industry). The trade ministry is concerned because protection for industries is seen as a trade policy. The finance ministry views it as a fiscal and customs problems. The technical department regards it as an important element of the industrial policy.

The question is how to protect the domestic industry against external competition coming through imports. What kinds of policy instruments are supposdd to be used ? There are three alternatives: to impose fairly high import duty rates, to restrict imports quantitatively with quotas, or to ban imports completely.

In the past (for instance during the period of first and second five-year plans) the protection instrument used was particularly import duty rates, without quota restriction. But after some time complains were voiced by this industry that the protection was not so effective due to the tactic of underinvoicing(involving prices, quantities or qualities/types). The quota system was not so popular at that time because the problem of determining quotas and allocations for companies allowed to import (private firms, state companies, or who else?) was complicated and could become a sensitive political issue. If imports are subjected to quota restriction no action can be taken against goods that are sold too cheaply at shops because it is difficult to prove whether such goods have been smuggled in. So total bans are suggested. But this measure can only be applied when domestic production capacities are already sufficient. Examples of total bans are those imposed on motor vehicles, radio receivers, television sets, and so forth.

For the technical department total bans are most effective. However, such a policy puts aside the question whether Indonesia is economically capable of producing the goods concerned. This is the problem of comparative advantage. An example was cited in the interview at the Ministry of Trade. The sugar price abroad is equivalent to only Rp 120 per kg, but at home it is Rp 450. So 200% import duty is not enough yet to protect the domestic sugar industry. The lesson is that Indonesia in fact has lost the comparative advantage to produce granulated sugar from sugarcanes now realised in Java. This is like the US, which actually should have demolished their textile industry. But a branch of industry already historically established is very hard to cease. There is always the reason (employment) and strategy (self sufficiency in a state of war) considered valid. The only sensible way-out is gradual liquidation of a certain industry no longer in keeping with the times, or at least refraining from setting up new plants. Japan for instance is phasing out its aluminium, nickel and plywood industries.

Back to the policy debate: is it better to give protection through import duty tariffs alone, or it is necessary to impose total bans as well ? Valid reasons to support the use of tariffs alone were stated by the "key official of the Ministry of Trade" as published by "Kompas" on Monday, November 11.

If we already agree to give moderate protection to the domestic industry, and that the protection is supposed to be reduced gradually, then the idea of the trade ministry deserves appreciation.

It is better to apply one instrument of protection, viz. through import duty rates. These tariffs can at first be fixed at a fairly high level to provide effective protection, but there should be certain schedules for reduction in phases, for instance from five to ten years. Finally the level of protection should be low.

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PERTAMINA'S INCOME UP

Jakarta BUSINESS NEWS in English 20 Nov 85 p 7

[Text]

With the permit of the Board of Commissioners of the Pertamina state oil company, for the first time the company made a financial statement at a hearing with Parliamentary Commission VI here recently.

Director of Financial Affairs of Pertamina Drs. Abda'oe, flanked by President Director of Pertamina AR Ramly, reported at the meeting that Pertamina's total income which had been audited till March 31, 1984 stood at Rp 10.6 trillion, while the income of the company till March 31, 1985 which had not been audited were worth Rp 13.1 trillion.

Profits gained by the company rose from Rp 576.1 billion till March 31, 1984, to Rp 685.1 billion till March 31, 1985. The assets of the company already audited till March 31, 1984, stood at Rp 13,115,655 million, while the company's assets not yet audited till March 31, 1985, amounted to Rp 14,106,249 million.

For the operation of Pertamina, excluding the production of LNG and the operation of its subsidiary companies, the position of the company till March 31, 1984, after being audited is as follows: income - Rp 7,952,144 million, total cost - Rp 6,692,360 million, profits - Rp 574,090 million and assets - Rp 8,578,716 million. The position of company's income, expenditures, profits and assets till March 31, 1985, was not reported.

The law No. 8/1971 stipulates that operational tax that must be paid by Perta mina is 60 percent of its profits. But then it was followed by the issuance of the Government Regulation No.41/1982 on retention tax which has been retroactively effective since 1979.

Pertamina paid operational tax and retention tax totalling over Rp 560 billion in fiscal 1982/83 and the amount paid by the company declined to Rp 506 billion in fiscal 1983/84, but jumped to Rp 1.2 trillion in fiscal 1984/85. In the first seven months of the 1985/86 fiscal year (from April to October 1985), Pertamina paid operational tax and retention tax amounting to Rp 423.9 billion. Thus the total of operational tax and retention tax paid by Pertamina from April 1982 to October 1985 reached Rp 2,7 trillion.

This year Pertamina is assigned to collect value added tax. From the collection of value added tax, Pertamina handed over to the government Rp 48.9 billion in April, Rp 33.8 billion in May, Rp 47.5 billion in June, Rp 34.6 billion in July, Rp 47.7 billion in August and Rp 42.5 billion in September. Thus the company paid value added tax amounting to Rp 255.1 billion in the first semester 1985/86. In October this year, the company paid value added tax amounting to Rp 41.7 billion.

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DEVELOPMENT OF FISHERIES

Jakarta BUSINESS NEWS in English 20 Nov 85 p 9

[Text]

The government has allocated Rp 22,160 million for the development of the fishery sector in the 1985/86 fiscal year, slightly higher than Rp 22,130 earmarked for the same sector in 1984/85.

Of the funds, Rp 21,800 million will be used to finance the program aimed at increasing fish production, Rp 100 million for the development of fish farming in transmigration centres, Rp 30 million to finance statistical development and Rp 108 million to develop government apparatuses dealing with the fishery sector.

Projects handled in the current 1985/1986 to increase fish production include :

1. the building of two fishery harbours in Central Java and North Sumatra;
2. the rehabilitation of 20 fishery harbours in West Java, Central Java, East Java, Aceh, North Sumatra, West Sumatra, Riau, South Sumatra, West Kalimantan, Central Kalimantan, South Kalimantan, East Kalimantan, North Sulawesi and East Nusatenggara, and 11 locations for the landing of fishing vessels in Central Java, Aceh, Riau, South Sumatra, Lampung, West Nusatenggara and Irian Jaya;
3. the rehabilitation and construction of waterworks for fishponds in East Kalimantan, Central Sulawesi, Southeast Sulawesi and West Nusatenggara;
4. the rehabilitation of 41 baby fish breeding centres in Jakarta, Central

Java, Yogyakarta, East Java, Aceh, North Sumatra, West Sumatra, Jambi, South Sumatra, Bengkulu, Lampung, West Kalimantan, South Kalimantan, East Kalimantan, North Sulawesi, Central Sulawesi, South Sulawesi, Southeast Sulawesi, Bali, West Nusatenggara, Irian Jaya and East Timor; and nine baby shrimp breeding centres in Central Java, Yogyakarta, East Java, Bali, East Kalimantan, South Kalimantan and Sulawesi;

5. setting up units for supervision of fish catching activities;
6. setting up eight fishery laboratories in Jakarta, West Java, East Java, South Sumatra, West Kalimanta, South Kalimantan, Southeast Sulawesi, and West Nusatenggara.

According to the planning bureau of the Agriculture Ministry, the production of fish in Indonesia in 1985 is projected at 2,370,500 tons, comprising\ 1,749,100 tons of sea-fish and 621,400 tons of fresh water fish.

The production of fish in 1988(final year of Pelita IV), is projected at 2,811,300 tons, consisting of 2,058,600 tons of sea-fish and 752,700 tons of fresh-water fish.

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CSO: 4200/404

OIL PRODUCTION FROM PRODUCTION SHARING CONTRACTS UP

Jakarta BUSINESS NEWS in English 20 Nov 85 pp 9, 10

[Text] Around 95 percent of oil/natural gas exploration and exploitation activities in Indonesia are at present handled by utilising foreign capital.The utilization of foreign capital is managed through working contracts and production sharing contracts between the state-owned oil company Pertamina and foreign contractors.

Oil production in Indonesia resulting from the exploitation of oil fields by Pertamina and by contractors under working contracts has in the past ten years showed a decline of about 22 percent and 33 percent respectively. The production of crude oil by Pertamina decreased from 40 million barrels in 1974 to 31 million barrels in 1984, while crude production by foreign contractors under working contracts dropped from 348 million barrels in 1974 to 233 million barrels last year.

The production of crude oil under production sharing contracts between Pertamina and foreign contractors jumped from 112 million barrels in 1974 to 431 million barrels in 1984, an increase of around 282 percent.

Crude production under production sharing contracts tends to continue to increase, because the sharing of oil production is based on the increasing percentage system for the portion of the Indonesian Government.

Based on working contracts, the portion of the government every year is no less than 20 percent of the gross oil output. Minister of Mines & Energy Subroto reported at a meeting with Parliamentary Commission VI here recently that it was difficult to meet the target of crude production at 1.7 million bbls/day in the 1988/89 fiscal year, because of among other things the stagnation of oil production and the imposition of production quota by OPEC.

Pertamina had up to 1984 signed 69 contracts with foreign contractors for oil exploration and exploitation in Indonesia. The 69 contracts consist of two working contracts, one contract based on technical assistance and 66 production sharing contracts.

The working contracts and production sharing contracts are for 30 years, involving mostly American contractor companies, followed by contractors from France,Japan, Canada, the Netherlands, Australia, West Germany, South Korea and Hongkong.

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HONDA TO MANUFACTURE CAR ENGINES HERE

Jakarta BUSINESS NEWS in English 15 Nov 85 p 4

[Text] The Industry Department has approved an application for setting up a joint venture company, involving PT Prospect Motor (Indonesia), Honda Motor Co. Ltd. and Kanematsu Gosho Ltd, which will manufacture engines for sedans in Indonesia.

This was disclosed by Director General for Machinery and Base Metal Industry Ir. Eman Yogasara, after he, together with managers of Honda Motor Co. Ltd., Kanematsu Gosho Ltd., and Prospect Motor (Indonesia), met with Minister of Industry Ir. Hartarto here recently.

Based on the existing agreement, automotive engines to be produced by the company will also be exported to other ASEAN countries. But in the first stage, the products will be used only to meet the domestic demand.

It is for the first time for Honda to invest capital for the full manufacture of automotive engines in Indonesia. Of the planned total shares in the joint venture company, US$ 5,500,000 or 55% will be owned by Honda Motor Co. Ltd., US$ 1,500,000 or 15% will be owned by Kanematsu Gosho Ltd. and US$ 3,000,000 or 30% will be possessed by PT Prospect Motor Indonesia.

The plant will operate with total investments amounting to US$ 20 million and a debt equity ratio of 50 : 50. The working capital of the company is estimated at US$ 10 million.

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KAYSONE CONGRATULATES NEW POLISH LEADER

Vientiane NEWS BULLETIN in English 11 Nov 85 p 1

[Text] Vientiane, 11 Nov (KPL)--Kaysone Phomvihane, general secretary of the LPRP CC, chairman of the Council of Ministers, and Souphanouvong, president of the Lao PDR, on 7 November, sent a joint telegramme of congratulations of Wojeiech Jaruzelski, first secretary of the Central Committee of the Polish United Workers' Party, president of Poland's Council of State. The telegramme says:

"On the occasion of your election as 'President of Poland's Council of State, on behalf of the LPRP CC, the PSA, the Council of Ministers of the Lao PDR, the people of Laos, and in our own names, we would like to express our sincere congratulations to you.

"The results of this general election demonstrated the Polish people's determination to continue safeguarding and developing the fruits of the socialist revolution in the Polish People's Republic.

"We firmly believe that with your intelligence and rich revolutionary experiences and the trust given you by the party, government and people of Poland, the construction of developed socialism in Poland will score new successes in all spheres, thereby contributing to the solidarity and might of the socialist community and to the defence of peace and security in Europe and all over the world.

"May the fraternal friendship, militant solidarity and close cooperation between the parties, governments and peoples of the two countries be further developed.

"We wish you good health and success in your noble mission."

/9274
CSO: 4200/420

GREETINGS TO POLISH LEADERS

Vientiane NEWS BULLETIN in English 11 Nov 85 p 4

[Text] Vientiane, 11 Nov (KPL)--Souphanouvong, president of the republic and of the PSA, and Kaysone Phomvihane, chairman of the Council of Ministers, on 7 November sent messages of greetings to Loman Malinowski and Messner Zbigniew on the occasion of their election respectively as president of the Diet and chairman of the Council of Ministers of the PPR.

In their messages, the Lao leaders expressed their warmest congratulations to the new Polish leaders who are entrusted with important missions by the party, government and people of the PPR.

The messages say:

"We are firmly convinced that your rich revolutionary experiences will contribute to the construction of developed socialism in the PPR for the prosperity of the Polish people as well as for the strengthening of the socialist community and peace in Europe and the world.

The message expressed wishes for further promotion of the fraternal friendly relations, militant solidarity and close cooperation between the Lao PDR and the PPR and good health, happiness and success to the new Polish leaders in their future work.

/9274
CSO: 4200/420

PASASON SCORES THAILAND'S 'WARLIKE ATTITUDE'

BK181442 Vientiane KPL in English 0916 GMT 19 Dec 85

[Text] Vientiane, December 19 (KPL)--Facts have shown that the Thai ruling circles have tied themselves up to Washington's and Beijing's military venture in this part of the world, PASASON writes in its commentary today.

The paper says: Bangkok's war-like attitude has long been practiced in the form of pan-Thaism. This was clear when Thailand invaded the three Lao border hamlets of Sayaboury Province in 1984 following General Athit Kamlang-ek's visit to China. It is also clear from Thailand's support to "Democratic Kampuchea" and its huge stockpiling of weapons.

The pan-Thaism policy can be seen through Thailand's military budget this year which amounted to nearly 40 billion baht, the paper points out. The purchase of 12 billion baht worth of U.S. F-16 fighter-bombers has aroused deep concern among the Thai public. Bangkok's "request" for 24 tanks, 14 anti-aircraft guns and other war materials from China has given proof of its close military alliance with Beijing, which is detrimental to regional peace.

The paper continues: Thailand is suffering from a deep economic crisis as a result of its huge military spendings and its continued service to Washington's and Beijing's military venture. The majority of the Thai people have been adversely affected by this policy of the Thai ruling circles. It is certain that they will continue to suffer as long as the present Thai military circles headed by Gen Athit Kamlang-ek keep spending huge sums in hopes of realizing his ambition, heedless of the sagging national economy, the paper concludes.

/12712
CSO: 4200/435

KPL CITES PASASON HAILING SOVIET PEACE EFFORTS

BK181222 Vientiane KPL in English 0929 GMT 18 Dec 85

[Text] Vientiane, December 18 (OANA-KPL)--The removal of "SS-20" missiles from standby alert and the dismantling of their stationary structures in the European zone by the Soviet Union have reflected its tireless efforts to curb the arms race and stabilize world peace, writes PASASON in its commentary today. The paper says that the recent joint statement of the Soviet-U.S. Geneva summit has given mankind hope for peace, but this hope will become realistic only if the U.S. acts in accordance with the spirit of the statement.

The paper goes on: While the Soviet Union is doing its utmost to ban the arms race on earth and prevent it from spreading to outer space, the U.S. Administration has tried to lure its allies into its "star wars" programme, thus dimming the world people's hope for peace. The refusal by Canada, Denmark, Greece, Norway, France and the Netherlands to join the Pentagon's strategic defense initiative (SDI) is a concrete proof of discontent shown by U.S. allies over the U.S. war mongering policy. As for Britain's decision to participate in the SDI, this is only indicative of its subservience to the U.S. influence.

Washington's warlike policy can be seen through the huge budget it reserves for the development of SDI totalling 1,500 billion dollars, and for the development of its naval bases for 1986 totalling 9.2 billion dollars. Worse still, the U.S. has allocated more than 550 million dollars to help the Somoza, UNITA [National Union for the Total Independence of Angola], and Afghan counter-revolutionary gangs. The continued U.S. assistance to "Democratic Kampuchea" and the frequent visits by U.S. nuclear-powered battleships to Japanese ports have clearly attested to the White House's intention to deepen its interference in the region despite strong local protest. All these moves on the part of the U.S. have run counter to the spirit of the joint Soviet-U.S. statement, the paper concludes.

/12712
CSO: 4200/435

KAYSONE PHOMVIHAN GREETS TRADE UNION SEMINAR

BK181158 Vientiane KPL in English 0906 GMT 18 Dec 85

[Text] Vientiane, December 18 (OANA-KPL)--Kaysone Phomvihan, chairman of the Council of Ministers, today sent a message of greetings to the current Asian Trade Union seminar here.

The message says:

"On behalf of the Lao PDR and the people of Laos I would like to convey my warm congratulations and best wishes to all delegates to the seminar, particularly to those of the world federation of trade unions which suggested our country as the venue for this seminar."

After speaking of the general situation in developing countries in Asia and the role of Lao trade unions in socialist transformation and construction, the message goes on:

"I think the trade unions and working class of each country can carry out their duty in rural development and other spheres of activity only when there is peace. Therefore, together with the fraternal peoples of Vietnam and Kampuchea, we have unceasingly struggled for making South-East Asia a region of peace, friendship and cooperation, and for the preservation of peace and security in Asia and the world.

"The Lao PDR welcomes the just stance and high responsibility shown by the Soviet Union to peace and security of other nations, as at the Soviet-U.S. summit, and urges the United States to keep its words.

"I believe that the seminar will find out ways of ensuring the cooperation of trade unions and the working class for effective rural development, thereby further developing our countryside.

"I wish the seminar success and hope that it will contribute to strengthening the solidarity, friendship and mutual understanding among the working classes in Asia and the world as well."

/12712
CSO: 4200/435

LAOS

SOUPHANOUVONG RECEIVED ASIAN TRADE UNIONISTS

BK201341 Vientiane KPL in English 0904 GMT 20 Dec 85

[Text] Vientiane, December 20 (OANA-KPL)--Souphanouvong, president of the Lao PDR and the PSA, on December 19, received the delegates to the Asian trade union seminar on the role of trade unions in accelerating rural development, who paid a courtesy visit to him.

They were delegates from Afghanistan, Bangladesh, India, Kampuchea, Laos, Mongolia, the Philippines, Sri Lanka, Thailand, the Soviet Union, Vietnam, the World Federation of Trade Unions, the International Labour Organization, and the Food and Agriculture Organization.

During the cordial reception President Souphanouvong warmly hailed the success of the seminar, describing it as a contribution to further strengthening the solidarity, friendship and cooperation of the working classes in Asia for rural development.

He also spoke of the achievements obtained by the Lao people and working class in the past ten years of national defence and socialist construction. He pointed out that the maintenance of peace is vital to the national construction of each country and that it is the main point in the foreign policy of the Lao PDR.

On behalf of the delegates. D. President Souphanouvong for his cordial reception. [sentence as received] He warmly congratulated the Lao people on their achievements in the past ten years, and said the WFTU support the home and foreign policies of the Lao PDR under the leadership of the LPRP.

D. Ganguli also read out a message expressing thanks to the government and people of Laos for their hospitality and for having created favourable conditions for the success of the seminar.

/12712
CSO: 4200/435

COOPERATION WITH SRV ON RADIO SYSTEM

Vientiane NEWS BULLETIN in English 21 Oct 85 p 4

[Text] Vientiane, 21 Oct (KPL)--An agreement on cooperation between the radio broadcasting services of Vientiane and Hanoi was signed here on 19 October.

Signatories to this agreement were Savath Vilaythong, head of the Vientiane News Agency, Newspaper and Radio Service, and Tran Dinh He, head of the Hanoi Radio Service.

Present on this occasion on the Lao side were Sithon Sibounhuang, deputy-minister, member of the party and administrative committees, and head of the planning service, of Vientiane, who is also head of the commission for economic, and cultural cooperation between Vientiane and Hanoi, Khampong Soulinphoumi, deputy-minister, member of the Vientiane Party Committee, and representative of the Station Radio and Television, and other high-ranking officials. On the Vietnamese side were Nguyen Dinh Hiep, member of the party and administrative committees of Hanoi, head of the Hanoi experts' team to Vientiane, and other Vietnamese experts concerned.

On this occasion the visiting delegation of the Hanoi Radio Service handed over a number of equipment worth 5 million kip for the installation of a loudspeaker system in Vientiane as a present to the first conference of the Vientiane Party Committee.

The Vietnamese delegation arrived here on 17 October on an official friendship visit at the invitation of the News Agency Newspaper and Radio Service of Vientiane, and it will leave here for hime today. During its stay, the delegation was warmly received by Sithon Sibounhuang. The two sides discussed various issues on Vientiane-Hanoi cooperation. Sithon Sibounhuang, on this occasion, highlighted the success of the setting up of the loudspeaker system in Vientiane with the help of Hanoi experts.

/9274
CSO: 4200/420

ASIAN TRADE UNIONISTS THANK LPDR FOR SEMINAR

BK201401 Vientiane KPL in English 0914 GMT 20 Dec 85

[Text] Vientiane, December 20 (OANA-KPL)--The delegates to the Asian trade union seminar on the "Role of Trade Unions in Accelerating Rural Development," which closed here yesterday, have expressed their sincere gratitude to the Lao Government, the Lao Federation of Trade Unions [LFTU] and people for their hospitality and assistance in hosting the seminar.

In their joint message of thanks, the representatives of national and international trade union organizations greeted the heroic Lao people and wished them successes in the consolidation of their socialist achievements under the guidance of the LPRP. "Such prosperous development of the socialist economy significantly contributes towards the rise of working and living conditions of the Lao people," the message said.

It went on: The Lao Government's policy for peace and friendly relations and cooperation with neighbouring states, for fraternal cooperations with the socialist community and for peaceful coexistence and cooperation among nations has earned worldwide appreciation.

The delegates highly evaluated the activities of the LFTU in mobilizing the Lao working people in safeguarding and building socialism, and its contributions to the struggle of the working class and trade unions in the region and in the world, against imperialism, the arms race, the neo-colonial policy of the transnational corporations, for peace, a new and just international economic order, national independence, and social progress.

/12712
CSO: 4200/435

LAOS

FORESTRY COOPERATION WITH SRV

Vientiane NEWS BULLETIN in English 4 Nov 85 p 5

[Text] Hanoi, 4 Nov (VNA)--In the first half of this year Vietnam helped Laos exploit 20,000 cubic metres of timber, part of which are for export. The ministry of forestry alone, together with the logging camps of Laos, has exploited 7,000 cubic metres.

Vietnam is helping Laos survey and explore its forest resources, exploit its forests and reafforest many wastelands.

A conference on cooperation in forestry between Vietnam and Laos was arranged in Hanoi in mid-September last. The conference set the target of exploiting from 200,000-500,000 cubic metres of timber per year from 1986 to 1990, of which 1-1.2 million cubic metres will be exported. The conference also discussed the building of support facilities such as timber hauling tracks, population centres near the forests, agricultural farms, etc. Recently, a team of the Laos Highland Economy Building Corporation paid a working visit to the Vietnamese provinces of Minh Hai in the south and Ha Nam Ninh in the north, it reached agreement with Vietnam on the target of 18,000 cubic metres of timber for export from now to early 1986. Of this, 6,000 cubic metres will be exported on December 12, 1986. Of this, 6,000 cubic metres [words indistinct, the 10th National Day of the Lao People's Democratic Republic.

This year's program for 50,000 cubic metres of long timber and 3,000 cubic metres of planks and more than 30,000 cubic metres of timber for export has been completed.

Many provinces and cities of Vietnam such as Hanoi, Ho Chi Minh City, Ha Nam Ninh and Quang Nam--Da Nang are stepping up preparation to set up joint ventures with Saravane, Sekong, Attopeu and Champassak provinces in Laos for timber exploitation and processing in the coming dry season.

/9274
CSO: 4200/420

LAOS

BRIEFS

COOPERATION WITH SRV PROVINCE--Vientiane, December 17 (OANA-KPL)--Vietnamese Ha Nam Ninh and Lao Oudomsai Provinces have agreed to strengthen their mutually beneficial cooperation in economic and cultural development in the coming years. The economic and cultural cooperation between the two sisterly provinces was ratified by agreements of bilateral cooperation for 1986 and for 1986-90 signed in Oudomsai recently by representatives from both sides. Under these agreements, Oudomsai will supply Ha Nam Ninh with forestry and cultural products in reciprocation for Ha Nam Ninh's assistance in building six local projects of agriculture, industry, communication, irrigation, public health, and education. [Text] [Vientiane KPL in English 0855 GMT 17 Dec 85 BK] /12712

PARTY SCHOOL DELEGATION RETURNS--Vientiane, December 17 (KPL)--A delegation of the Higher Party School led by Chanmi Douangboutdi, member of the party CC, director of the school, returned here on December 14, after a week-long friendly visit to the SRV. While in Vietnam, the delegation signed an agreement on bilateral cooperation and assistance for 1986-87 between the party schools of the two countries. The delegation was met at the airport on its return here by the school's directorie [as received] and Vietnamese Ambassador, Nguyen Xuan. [Text] [Vientiane KPL in English 0906 GMT 17 Dec 85 BK] /12712

VIENTIANE, HCM CITY COOPERATION--Vientiane, December 19 (KPL)--Delegations of the trade service of Vientiane and Ho Chi Minh City have cooperated in studying the production of merchandises within the framework of the 1985-86 cooperation agreement between the two capital cities. During its stay here, the Vietnamese delegation toured a number of cooperative shops and factories in Vientiane. It arrived here on Dec 9 and is scheduled to leave today. [Text] [Vientiane KPL in English 0908 GMT 19 Dec 85 BK] /12712

SOVIET REPUBLIC SOCCER TEAM--Vientiane, December 19 (KPL)--The Ararat soccer team from Yerevan, capital of the Armenian Soviet Socialist Republic, arrived here on December 17 for a ten-day friendly visit. The team played its first match here yesterday with the soccer team of the Interior Ministry and won 5-1. It is scheduled to play 3 more matches with the teams of the Ministry of Public Health, the Lao People's Army, and the Ministry of Education, respectively on Dec 20, 22, and 24. [Text] [Vientiane KPL in English 0910 GMT 19 Dec 85 BK] /12712

DELEGATION RETURNS FROM MOSCOW--Vientiane, December 17 (KPL)--A delegation of the Lao-Soviet Friendship Association led by its President Khamsouk Sai-Gnaseng, member of the LPRP CC, and minister to the Council of Ministers, returned here on Dec 10 after attending the celebration of the tenth anniversary of the Lao PDR in Moscow. Meeting the delegation at Wattai Airport were Mrs Khamsouk Vongvichit, vice-president of the Lao-Soviet Friendship Association, Valdemar Naoumtchik, representative of the Soviet Society for Friendship and Cultural Relations with Foreign Countries and other senior officials. [Text] [Vientiane KPL in English 0900 GMT 17 Dec 85 BK] /12712

SOVIET RED CROSS AID--Vientiane, December 18 (OANA-KPL)--The Soviet Red Cross and the Soviet-Lao Friendship Society handed over here on Friday relief to the victim of floods in Oudomsai Province through the Lao Red Cross and the Lao-Soviet Friendship Association. Present at the hand-over ceremony were Khamsouk Sayaseng, member of the party CC, president of the Lao-Soviet Friendship Association, and Vladimir Sobtchenko, Soviet ambassador here. The relief consisted of 1.9 [metric] tons of medicine and .5 [metric] tons of blankets. [Text] [Vientiane KPL in English 0922 GMT 18 Dec 85 BK] /12712

TRANSPORT WORKERS OVERFULFILL PLAN--Vientiane, December 18 (KPL)--Transport workers of the road No 9 construction company have so far overfulfilled their 1985 transportation plan by 68 [metric] tons. They have transported more than 3,600 [metric] tons of oil and equipment from Danang Port (Vietnam) to the construction site, and more than 150 tons of equipment from Sethamouak to Dongha (Vietnam). In addition, they have also transported more than 5,900 [metric] tons of freight, including oil and rice, to various provinces in the country. [Text] [Vientiane KPL in English 0924 GMT 18 Dec 85 BK] /12712

SWEDISH COOPERATION--Vientiane, December 13 (OANA-KPL)--A memorandum on cooperation in economic and social development between Laos and Sweden for 1986-88 was signed here on December 11. Signatories to the memorandum were Kham-Ouan Boupha, first deputy-minister for industry, handicraft and forestry, chairman of the Lao-Swedish Cooperation Committee, and Dr Borge Ljungpren, regional director of SIDA [expansion unknown]. Under this memorandum, the Swedish side will assist Laos in the construction of forestry, communications and transport and hydro-electric power projects. [Text] [Vientiane KPL in English 0915 GMT 13 Dec 85 BK] /12712

PHONGSALY PRICES--Vientiane, 12 Oct (KPL)--Workers at the saw-mill under the industry, handicraft and forestry department of Phongsaly province on the past 6 months have sawn 14 m^3 of plank worth 689,752 kip. Workers at the textile mill of the same province, in the past 9 months have produced 14,670 metres of fabrics. Worth 857,000 kip. [Text] [Vientiane NEWS BULLETIN in English 12 Oct 85 p 3] /9274

OPTICAL SHOP IN VIENTIANE--Vientiane, 10 Oct (KPL)--The Public Health Ministry has inaugurated a new optical glasses shop in Vientiane, which was set up with the cooperation of the German Democratic Republic. Present at the opening ceremony were Ponomek Dalaloy, deputy-minister of public health, GDR Ambassador Dietrick Jack, and other senior Lao officials. The Lao deputy-minister, on this occasion, hailed the cooperation between the Lao PDR and the GDR. He expressed the pledge of the shop's staff members to do their utmost to serve the people. [Text] [Vientiane NEWS BULLETIN in English 10 Oct 85 p 4] /9274

CSO: 4200/420

MALAYSIA

BRIEFS

RELEASE OF BALING DETAINEES ASKED--Kuala Lumpur, Wedensday [11 December]--The Pan Malaysian Islamic Party [PAS] today asked the government to release persons arrested following the incident in Kampung Memali, Baling, because the government has no evidence to prosecute them. PAS President Haji Yusof Rawa said that the continued arrest of these persons in accordance with the Emergency Law means that they are being persecuted by the government. Haji Yusof added that PAS has called for the establishment of a commission to conduct a comprehensive investigation into the incident in addition to asking the government to release them. PAS will release a full report on the incident to reveal the "facts." [Text] [Kuala Lumpur BERITA HARIAN in Malay 12 Dec 85 p 2 BK] /12913

DISSOLUTION OF ICO COMMITTEE--Malaysia is expected to propose the dissolution of the Islamic Conference Organization [ICO] peace committee at an IC foreign ministers meeting in Fes, Morocco next month. Foreign Minister Tengku Ahmad Rithauddeen says that Malaysia believes the committee has failed to end the Iran-Iraq war. Malaysia regrets that Iran had set three conditions for the ICO to begin negotiations with it. Tengku Rithauddeen was presenting a working paper--entitled Malaysia's Foreign Policy--at a political course organized by UMNO [United Malays National Organization] in Kuala Lumpur this evening. Tengku Rithauddeen will lead a seven member delegation to the meeting, scheduled to take place from 6-10 January. Prime Minister Datuk Sri Dr Mahathir was earlier expected to lead an [word indistinct] group for negotiations in Tehran on 15 December. However, the plan was delayed because of Iran's conditions. Other members of the committee are Gambia, Bangladesh, Pakistan, the PLO, Senegal, and Turkey, in addition to Malaysia. The committee is chaired by Gambian President Sir Dawda Jawara. [Text] [Kuala Lumpur Domestic Service in Malay 1230 GMT 25 Dec 85 BK] /12913

CSO: 4213/59

PHILIPPINES

MINISTER WARNS OF DEBT REPAYMENT PROBLEMS

HK190111 Manila METRO MANILA TIMES in English 18 Dec 85 pp 11, 12

[Text] Economic Planning Minister Vicente Valdepenas said the country would face problems on "how to maintain (its) external payments stability" next year as a result of poor export prospects and limited financial foreign financial inflows. He said the repayment problem would be "the most critical challenge to the economy next year." The country has been up-to-date on its interest payment so far but loan principals will fall due next year unless the debt repayment moratorium is extended. The interest burden alone will eat up from 50 to 60 percent of total export earnings. Export earnings are not expected to go beyond present estimates because of the world economic recession. Valdepenas said exports would be stunted by the world economic slowdown, low world prices, and protectionism in the industrial countries.

On the other hand, foreign financial inflows, another source of funds that could be used to pay foreign debts, will be limited by poor availment of existing credit lines and the uncertainty over new funding pledges from the country's major foreign creditors. Central Bank sources said there were no new money pledges for next year since the existing lines still had to be used up and would expire in the middle of 1986.

At present, the country has been relieved of paying the principal of its loans on the strength of a debt repayment moratorium. The moratorium ends every 90 days and the present moratorium expires early next month. The sources said the government may have to seek another extension of the moratorium from its foreign creditors made up of multilateral institutions like the International Monetary Fund and 483 private foreign banks.

Valdepenas said the government would want to achieve this "external payments stability" hand with some degree of internal economic strength. To do this, he said, the government will minimize the fiscal deficit without compromising our most critical development programs in agriculture and basic services. Increased productivity out of technology and management improvements, and the provision of sufficient working capital, will be a major goal for both the public and private sectors. Additional reforms will focus on human development issues since improved productivity requires a healthy, strong, and contented labor force. He said the government had "guarded optimism" over prospects for next year because "we view 1986 as yet another crucial period in the national recovery effort."

/12858
CSO: 4200/439

MINISTERS TO SEEK REVISION IN SALES TAX DECREE

HK191544 Manila PHILIPPINES DAILY EXPRESS in English 19 Dec 85 p 9

[By Rose del La Cruz]

[Text] High ranking government officials virtually criticized the recently-approved increased sales taxes and re-sale tax when they voiced the other day their apprehension over the adverse impact of the measures on the viability of agriculture, manufacturing and trading companies.

Presidential Decree No 1991 raised sales taxes on all commodities from 10 to 20 percent and imposed a three-percent resale tax, which shall take effect next month.

Planning Minister Vicente Valdepenas said in a meeting of the National Food and Agriculture Council [NFAC] Tuesday that the decree would boost the inflation rate by at least 2 percent, on top of its November rate of 6.9 percent, while Agriculture and Food Minister Salvador Escudero said the decree would kill most sectors in agriculture, particularly the thriving poultry and livestock growers, feedmillers and rice and corn millers.

The Trade and Industry Ministry, represented in the NFAC meeting by Deputy Minister Wilhelm Ortaliz, said the decree will lead to the closure of most manufacturing and trading companies in the country and would thus aggravate the employment sector.

All three ministries have agreed to come out not later than this month with a consolidated recommendation to the president to seek either the revision of the decree or its outright revocation because of its adverse impact on the economy. The decree, was part of a package of measures aimed at raising government revenues, which will in turn be used to repay mounting foreign obligations.

The decree's revision to benefit poultry raisers, livestock growers and feedmillers should be aimed at the "reclassification" of finished products such as hogs, chicken, milled rice and corn as essential commodities and should thus be slapped only a sales tax of one percent, Escudero said.

This is to align the items with veterinary medicines, processed meats and other commodities that are still classified as essential commodities in the decree.

/12858
CSO: 4200/439

PHILIPPINES

BANKS SEEK STATE GUARANTEE ON FUNDS FOR SUGAR COMPANY

HK220532 Manila TIMES JOURNAL in English 20 Dec 85 p 8

[By Cesar Barrioquinto]

[Text] The five commercial banks tapped to provide P240 million equity in the Philippine Sugar Marketing Corp. (Philsuma) will not make the funds available unless it is guaranteed by the national government. A source from one of the five banks said the group is unanimously against the guarantee to the provided by the state-owned Philippine Export and Foreign Guarantee Loan Fund Corp. (Philguarantee). The group wants no less than a guarantee from the Philippine government to secure the P48 million that each has committed to provide Philsuma, the source said.

The new demand from the syndicate of five banks has put into question Philsuma's ability to procure sugar this month to fill the Philippines' sugar quota in the United States. The five banks include Bank of the Philippine Islands, Far East Bank and Trust Co., Metropolitan Bank and Trust Co., United Coconut Planters Bank and Philippine Commercial Industrial Bank.

According to the source, the decision to make Philsuma fully operational now rests with the government. "The ball is now in their court," the source said, adding the government needs only to state that it is fully guaranteeing the loans to be given by the five banks for them to release the amount to Philsuma. The five banks, the source said, want to be sure that their loans would be paid as the reason for their decision to ask for a national guarantee for the loans. Earlier, the five commercial banks were reported to have asked for a "sinking fund" as a condition to the planned P240-million loan syndication. As proposed, the fund would be formed by deductions from Philsuma's earnings on sugar exports to the United States. The organization of Philsuma during the first week of the current month was rushed to meet Philippine commitments to the United States. The U.S. export market, over which Philsuma has exclusive trading authority, is worth about $88 million annually to the new corporation.

Because the five banks tapped to provide the initial working capital did not want to do so in the absence of guarantees, the government was forced to choose Philguarantee to provide the security on the loans to be given to Philsuma. However, the five banks now appear to be less secure about the guarantees to be provided by the state-owned agency. They want no less than the national government to provide guarantees on the loan.

Philsuma is intended to be fully owned by all sugar planters and millers within two years of its creation. This is the period that the government foresees the planters and millers will be able to repay the amount shelled out by the five banks for the corporation's initial capitalization. Philsuma has a paid-in capital of only P6.25 million out of its applied authorized capital stock of P100 million.

It was earlier reported that U.S. sugar buyers were willing to advance payments to Philsuma. Reports said that "an influential" U.S. Manila to discuss with Philsuma officials the mechanics of the financing plan. The only condition to the financing plan, reports said, is for Philsuma to secure a certificate of eligibility from the U.S. Government. The certificate is issued by the U.S. Embassy in Manila and it confirms that a specified volume of sugar production is available for export to the United States under the export quota.

/12858
CSO: 4200/439

MANILA PREDICTS 1.5 PERCENT ECONOMIC GROWTH FOR 1986

HK180138 Manila BUSINESS DAY in English 17 Dec 85 p 2

[Text] The Government is projecting an economic growth of 1.5 percent next year as key economic sectors, particularly agriculture, are expected to trigger a recovery.

Economic Planning Minister Vicente B. Valdepenas Jr., concurrent director-general of the National Economic and Development Authority (NEDA), also told newsmen at the Manila Overseas Press Club (MOPC) that the inflation rate would average between 10 percent and 15 percent next year, an improvement over the 20 percent to 25 percent average rate for this year.

He said the Philippine economy has gone through a lot of adjustments during the last 24 months with the economy expected to be contracted by 3.5 percent to 4 percent this year, a slight improvement from the 5.3 percent contraction in 1984.

He said the contraction of the economy was largely due to the "unusually restrictive" budgetary and the tight monetary policies adopted by the government to contain inflation.

The 1.5 percent growth projection for the country's gross national product (GNP) for next year is the same rate originally predicted by the government for this year but which, because of the sluggish performance of the various economic sectors, will not materialize.

The projection is also slightly more optimistic than private sector forecasts of an average growth rate of 1 percent for 1986. Some private economists even expect a growth rate of less than 1 percent for next year.

Valdepenas said yesterday that 1985 is another "adjustment year" for the economy as the Philippines implemented stringent economic measures intended to rein in inflation. He said the fight against inflation has resulted in the lowering of the rate of increase of the consumer price index (CPI) to only 6.9 percent last month compared to over 60 percent for the same period last year.

Valdepenas noted that despite the expected contraction of the economy this year, 1985 "was a fairly good year."

Before the year is over, he said the Philippines is expected to get the next two tranches from the standby credit facility of the International Monetary Fund (IMF) as well as the new money facility from commercial banks.

The Philippines has already availed of around $194 million from the IMF standby credit while foreign commercial banks have released some $400 million as part of the new money facility.

Valdepenas also said the government will proceed with the necessary structural adjustments in order to make Philippine industries more competitive "through the removal of distortions."

The Phylippines has reduced to an average of 28 percent its tariff rates since the start of 1985 from a level of 48 percent previously. At the same time, the peak rate has also been cut from 100 percent to 50 percent.

As of 22 May this year, 967 products have been subjected to import liberalization. Valdepenas said an additional 12 product lines will be decontrolled by the start of next year.

He said the government has refocused its five-year plan and placed greater emphasis on agri-business, a key sector which the government believes could lead the country's economic recovery.

Valdepenas said that since 50 percent of the CPI basket of goods and services is made up of food items, it is necessary to improve food production in order to control inflation.

During the same MOPC forum, economist Bernardo Villegas of the Center for Research and Communication (CRC) said that despite the setbacks suffered by the Philippine economy, the country is not expected to face economic difficulties similar to those encountered by Nicaragua and some other Latin American countries.

He said that while the major industries are facing difficulties, the Philippines today has a thriving underground economy which has effectively kept away the specter of economic chaos.

At the same time, Villegas said the remittances of Filipino overseas workers have provided a crucial source of revenue for many Filipino families today.

A third factor, the extended family system, is expected to also defuse likely flashpoints. He said this factor is not present in other countries which have had economic turmoils as a result of stringent austerity measures imposed by the IMF.

/9738
CSO: 4200/410

PHILIPPINES

MONEY SUPPLY DOWN 8.2 PERCENT FROM 1984

HK111435 Manila BUSINESS DAY in English 11 Dec 85 p 2

["Economic Indicator" column: "Money Supply Contracts 8.02 Percent"]

[Text] Money supply (Ml) or the total currency and demand deposits held by the non-bank public, amounted to P28,999.2 million as of last September, down 8.02 percent from the P31,527.9 million registered in the same period last year, latest data from the Central Bank [CB] showed.

Since March, Ml has consistently been below its year-ago level. This was the result of the CB policy to control the growth of money and in the process curb inflation. Furthermore, the CB has to keep the reserve money level, which is the main determinant of money supply, within the limit set by the International Monetary Fund (IMF) for the country to be able to draw from its standby credit with the Fund.

Of the total Ml, currency in circulation accounted for the bulk or P18,135.1 million, down from P20,256.2 million in September 1984. Currency in circulation, roughly defined as the amount of money in the people's hands, is determined by deducting from the currency issue of the CB cash held in the vaults of the Treasury and of deposit money banks.

Money Supply
January 1984 -- September 1985
(in million pesos)

	total	currency in circulation	pesos demand deposits
1985			
January	30,935.0	19,196.5	11,738.5
February	29,492.8	18,649.4	10,843.4
March	29,632.1	19,596.0	10,036.1
April	29,859.3	19,483.7	10,375.6
May	29,097.7	19,502.8	9,594.9
June	29,067.4	18,618.9	10,448.5
July	28,393.2	18,196.6	10,196.6
August	28,462.4	18,678.9	9,783.5
September	28,999.2	18,135.1	10,864.1

[Table continued from previous page]

1984			
January	30,673.3	17,547.9	13,125.4
February	28,997.4	16,738.0	12,259.4
March	30,176.1	17,530.0	12,646.1
April	31,726.8	18,226.1	13,500.7
May	31,470.3	18,227.9	13,242.4
June	31,500.4	18,815.3	12,685.1
July	34,949.5	22,301.7	12,647.8
August	33,241.6	21,285.2	11,956.4
September	31,627.9	20,256.2	11,271.7
October	30,721.6	19,394.9	11,326.7
November	30,796.5	19,825.1	10,971.4
December	33,633.4	21,797.9	11,835.5

Source: Central Bank

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PHILIPPINES

BUSINESS FAILURES DROPPING, CAPITAL WITHDRAWAL RISING

HK131615 Manila BUSINES DAY in English 13 Dec 85 p 2

["Economic Indicator" column: "Fewer Companies Close Shop But Capital Withdrawal Surges"]

[Text] A total of 139 companies were dissolved during the January-October period this year, seven firms less than the 146 which closed shop in the same period last year, data from the Securities and Exchange Commission (SEC) showed.

The paidup capital held by these firms at the time of their dissolution amounted to P1,490.31 million, a significant 418.60 percent increase from last year's capital withdrawal of P287.37 million.

The hefty rise in capital withdrawal could be attributed to the P1,003.92 million reported in June which was due to the termination of United Coconut Oil Mills, Inc. (Unicom) that month. Unicom's paidup capital at the time of its dissolution was P1,000 million.

Of the firms which bowed out during the 10-month period, 96 were domestic stock corporations while 43 were partnerships. The capital withdrawn by the corporations reached P1,495.38 million, reflecting a huge 426.69 percent rise from last year's total of P282.02 million. Both the number and the amount of capital withdrawn by the corporations showed increases.

Meanwhile, the number of partnerships dissolved and the total capital withdrawn as a result declined. Only 43 partnerships were dissolved during the first 10 months of the year compared to 56 last year for a 23.21 percent drop. Capital withdrawn went down 7.93 percent to P4.93 million from P6.566 million last year.

On a monthly basis, October showed 13 firms folding up with a total paidup capital of P74.04 million. The number of corporations and partnerships which closed shop in October was one less than the previous month's tally but their paidup capital was bigger by 609.23 percent compared to P10.44 million in September.

Reasons cited for business closures ranged from financial/business failure to non-operation. Of the 13 firms, four encountered business reverses, two did not operate since its incorporation, while four did not report any cause. The remaining three firms dissolved to give way to corporate mergers.

Dissolutions of Existing Domestic Stock Corporations and Partnerships
January 1984 to October 1985
(Amount in thousand pesos)

	Total		Domestic Stock Corporations		Partnerships	
Period	Number	Amount	Number	Amount	Number	Amount
1985						
January	18	26,934	10	25,987	8	947
February	10	2,864	8	2,760	2	104
March	15	72,331	8	71,580	7	751
April	15	2,929	12	2,059	3	870
May	10	2,469	9	2,459	1	10
June	15	1,003,919	8	1,003,034	7	885
July	10	287,092	8	286,492	2	600
August	19	7,284	13	7,069	6	215
September	14	10,440	10	10,116	4	324
October	13	74,044	10	73,826	3	218
Sub-total	139	1,490,306	96	1,485,382	43	4,924
1984						
January	9	26,792	8	26,772	1	20
February	20	7,915	5	6,430	15	1,485
March	18	64,625	12	64,323*	6	302
April	9	18,420	4	17,975	5	445
May	21	24,777	14	24,116	7	661
June	21	15,194	15	14,684	6	510
July	14	57,921	12	57,791	2	130
August	10	63,324	5	62,874	5	450
September	14	3,742	8	2,612	5	1,130
October	11	4,662	7	4,447	4	215
November	17	5,517	10	4,697	7	820
December	15	64,209	8	63,811	7	398
Total	178	357,098	108	350,532	70	6,566

*Only P14.8 million of this amount represented capital withdrawal. The rest was transferred to another company.

Source: Securities and Exchange Commission.

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PHILIPPINES

CONSUMER PRICE INDEX UP NEAR 7 PERCENT

HK170945 Manila BUSINESS DAY in English 16 Dec 85 p 2

["Economic Indicator" column: "Consumer Price Index up 6.9 Percent"]

[Text] Prices of goods and services, as measured by the consumer price index (CPI) continued to rise in November, registering a 6.89 percent increase over the year-ago level, statistics recently released by the National Census and Statistics Office (NCSO) indicated.

The CPI for all income households nationwide in November came to 355.5 index points, 22.9 index points higher than the 332.6 index points posted in the same month the previous year.

The upward movement in the CPI was caused primarily by the increases in prices of prime commodities which were triggered by a series of peso devaluations that started in 1983. At the start of this year, however, prices began to normalize following two rollbacks in the prices of oil and oil products.

The CPI measures the inflation rate or the average change in prices of a fixed basket of goods and services purchased by the average household. Items included in the list are food, beverages, and tobacco, clothing, housing and repair, fuel, light and water, services and miscellaneous items.

Among the commodity groups, housing and repair posted the highest increase, a 15.83 percent rise from 296.2 index points in November last year to 343.1 index points in the same month this year.

Consumer Price Index for All Income
Households in the Philippines
January 1984 to November 1985

Period	All items	Food, Beverages, and Tobacco
1985		
January	346.0	328.8
February	349.2	333.1
March	350.6	332.8

[table continued from previous page]

April	348.9	330.3
May	349.5	330.5
June	351.3	330.4
July	356.1	335.1
August	357.0	335.8
September	355.8	333.3
October	354.6	330.7
November	355.5	331.3
1984		
January	238.2	223.6
February	245.4	231.5
March	250.8	237.1
April	254.6	241.0
May	258.9	246.0
June	275.2	261.9
July	299.8	282.2
August	308.2	290.6
September	315.7	299.6
October	320.1	304.7
November	332.6	317.0
December	337.7	321.9

Period	Clothing	Housing, & Repair	Fuel, Light & Water	Services	Miscellaneous
1985					
January	370.4	317.6	633.4	367.5	331.9
February	375.2	320.5	538.1	363.9	334.3
March	378.7	326.7	546.3	362.7	339.0
April	381.0	329.6	536.4	357.1	343.1
May	382.5	332.0	538.3	356.9	345.1
June	386.4	332.4	545.7	365.2	346.9
July	390.5	340.9	553.6	368.5	348.7
August	393.0	342.0	554.3	368.6	350.6
September	395.0	341.9	554.4	368.8	351.2
October	396.2	342.0	557.1	369.1	351.3
November	398.1	343.1	559.6	370.6	352.1
1984					
January	245.9	235.7	350.7	269.0	255.8
February	255.4	237.5	362.5	271.7	23.4 [figure as published]
March	264.0	238.8	369.2	274.5	243.7
April	270.8	239.5	371.8	277.4	239.9
May	276.6	240.2	376.2	278.9	256.0
June	295.3	243.3	402.9	303.7	272.7

[table continued from previous page]

July	313.4	290.6	441.2	331.4	291.0
August	327.3	292.2	462.1	334.6	301.5
September	336.4	294.2	471.6	337.0	307.6
October	342.6	294.6	478.3	340.0	312.2
November	354.4	296.2	511.6	359.6	318.8
December	361.8	296.8	524.0	365.0	323.4

Source: National Census and Statistics Office (NCSO)

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PHILIPPINES

OFFICE TO IMPROVE EMPLOYMENT SURVEY METHODS

HK170939 Manila BUSINESS DAY in English 16 Dec 85 p 10

[Article by Ramon R. Isberto]

[Text] Those who have despaired over the credibility of government employment statistics--which routinely report employment rates of about 95 percent--may find some interesting improvements next year. Plans are in motion to revise the employment survey now being conducted by the National Census and Statistics Office (NCSO) on a quarterly basis in ways that are expected to bring official employment data closer to the ground.

The big difference, according to Deputy Labor Minister Vincente Leogardo Jr., involves changing the reference period of the survey from the "past quarter" to the "past week."

The quarterly surveys will probably be retained. But alongside this, the NCSO will generate employment surveys using the past week as the reference period. This shift actually means a return to previous practice. Up 1976, NCSO employment surveys were conducted on a past-week basis. The revival of the old method is evidently the government's response to the increasing public cynicism regarding official employment data.

NCSO's employment data fell to a new low in credibility in the wake of the massive retrenchments and layoffs that took place as a result of the country's debt crisis. In the fourth quarter of 1983, for example, when the first wave of job cutbacks hit private industry and business, the NCSO reported that unemployment fell to its lowest point in several years--4.1 percent.

Critics of the NCSO's employment data--both within and outside the government--pointed to what they considered serious conceptual flaws in the agency's survey methods as responsible for the big gap between the official figures and reality.

The principal target of such criticism was the decision to use the past quarter as the reference period for the surveys starting November 1976. Under that new reference period, the NCSO survey considers a person at work or employed even if the person concerned worked continuously for only an hour during the past three months prior to the survey. Before this change, survey respondents were asked if they had worked during the previous week.

One of the early reactions to the new methods came from M.V.S. Rao, a regional expert on household surveys of the International Labor Organization (ILO). In this assessment made in January 1981, Rao said collecting detailed information regarding employment covering such a large period as three months is "not a feasible proposition" and the data gathered through such a method is "prima facie open to question." As a subsequent study paper prepared by a government working group on the review of labor force concepts noted, the long reference period creates the "recall problem." The group was referring to the obvious difficulties in asking a survey respondent to recall in detail what he did, as well as the activities of other members of the household, for the past three months.

Moreover, lengthening the reference period tended to increase the chances of a person ending up being considered as employed. At the same time, the survey method adopted by the NCSO since 1976 used a "somewhat restrictive" definition of unemployment. The net effect of such changes has been to overstate employment and understate unemployment.

That observation has been borne out by comparisons made between the results of surveys done on a quarterly basis and those done on a past-week basis. In one assessment paper prepared by the Ministry of Labor and Employment (MOLE), it was shown that unemployment rate--covering the years 1980 to 1984--as per surveys done on past-week basis was over 70 percent higher than the unemployment rate arrived at through past-quarter surveys.

Criticism of the past-quarter survey method began to grow as the country's economic crisis deepened starting in late 1983. The gap between perceived reality and government data began to widen.

In 1980, for example, the past-week survey yielded an 8.5 percent unemployment rate compared to a 4.9 percent rate based on the past-quarter survey. In 1984, the past-quarter survey showed unemployment to be only 6.2 percent, while survey yielded a 12.2 percent unemployment rate.

Apparently embarrassed at the awkward state of official employment data, various government agencies invovled in the data collection and evaluation effort raised proposals to revise the survey method. A compromise proposal aired by the labor ministry called for using the "past month" as the reference period.

Matters came to a head when the Statistical Advisory Board (which is composed of the deputy ministers of the different agencies involved in the generation and use of official statistics) considered the different proposals. Surprisingly, the proposal to use the past-week method carried the day.

This change, said Leogardo, is expected to result in government data that provide a more realistic picture of the employment situation.

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CSO: 4200/410

PHILIPPINES

RICE OUTPUT VICTIM OF LOW-COST TECHNOLOGY

HK171031 Manila BUSINESS DAY in English 16 Dec 85 p 14

["The Nation," By Leo Deocacliz: "Low Cost Technology To Cut Rice Output."]

[Text] A rice shortage is expected to start next year due to the government's promotion of "low-cost technology" in the national rice production program, according to a study prepared by the College of Agriculture, University of the Philippines at Los Banos.

A demand supply gap of 120,000 to 184,000 metric tons by next year is possible if the government will not be prudent in adopting the low-cost rice technology, the study said.

The gap is projected to reach 4.13 to 4.665 million MT by the year 2000 assuming that the area devoted to rice production is constant at the 1984 level of 3,140,670 hectares; irrigated areas increase at 1 percent per annum while non-irrigated low land areas decrease at the rate equal to the increase; per capital consumption grows by 0.672 percent per annum from a level of 10016 kilos in 1986; and consumption of rice products is 1.5 of rice consumption.

These projectsions were presented by Ruben L. Villareal, dean of the college during the seventh Ministry of Agriculture and Food [MAF]-International Rice Research Institute Technology Transfer Workshop held at Los Banos last month.

High technology rice production is characterized by the use of high yielding varieties, optimum level of fertilizers and chemicals, improved cultural practices and sufficient irrigation water. Rice production becomes expensive once all these requirements are met.

However, it becomes low-cost technology if some of these requirements are replaced with local materials like azolla and rice straw for use as fertilizer.

Currently, MAF is promoting the use of these substitute fertilizers under its intensified rice production program to help the farmers reduce their production costs.

Costs

According to Villareal, low-cost technology in rice production requires at least P5,381 per hectare when azolla is used and P5,637 when straw is used during the wet season. During the dry season the production cost increases to P5,585 for azolla and P6,165 for rice straws.

On the other hand, the high-cost technology requires P8,908 per hectare during the wet season and P9,074 during the dry season.

Under low-cost technology, more labor is required. Labor accounts for 49 percent of the total cost for azolla and 53 percent for rice straws during wet season. These become 50 percent and 48 percent, respectively during the dry season.

In contrast, labor only accounts for 34 percent for high technology during the wet season and only 33 percent for the dry season.

Although Villareal does not rule out a rice shortage under a high technology approach, the deficit is projected to be incurred only after a decade from now and relatively at a much lower rate than that of the estimated demand-supply gap under a low-cost technology program.

The study projects that under a high-cost technology, a rice demand-supply gap will only occur by 1995 at 41,000 MT and will increase further to 1.742 million metric tons by the year 2000.

Given these projections, Villareal doubts if low cost technology will be a good alternative for high cost technology.

"Can it sustain the rice requirements of the growing Filipino population?" he asked.

To fill in the supply gap caused by a low-cost technology approach, more areas need to be devoted to rice production and investment for irrigation should reach P1.3 to P2 billion in 1986 and P43.2 billion to P48.8 billion by the year 2000, he said.

Aside from the impossible huge financial appropriations required under this approach, looking for the additional hectarage will also pose a major problem.

To avert the shortage under a low-cost technology system, 44,000 to 67,000 hectares in additional land will be needed next year, growing to 1,625 million hectares by 2000, to meet the needs of the population.

An intensified research effort in improving the productivity of rice farms is one approach which could effectively help fill in the projected supply gap.

Villareal said the creation of the Philippine Rice Research Institute is very timely. It should adopt research thrusts which can sustain and further improve the gains already made in rice production, he said.

"Our national average is 2.5 MT per hectare. Yet, we h-ve outstanding farmers obtaining yields of seven to eight metric tons per hectare. Indeed, the potential is there. We only have to tap that potential," Villareal concluded.

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PHILIPPINES

MP'S SEEK INVESTIGATION OF FERTILIZER OVERPRICING

HK170930 Manila BUSINESS DAY in English 16 Dec 85 p 16

[Text] Eleven opposition members of parliament have called for the investigation of overpricing of fertilizer raw materials made by the government-controlled Philippine Phosphat Fertilizer Corp. (Philphos).

The MPS--Wilson P. Gamboa, Fermin Z. Caram Jr., Arthur Defensor, Marcelo Fernan, Hernando Perez, Gonzalo Puyat, Homobono Adaza, Luis Villafuerte, Igmidio Lingad, Rafael Lazatin and Juanita Nepomuceno--cited reports by fertilizer businessmen indicating that Philphos has been importing phosphate and potash at $8 to $10 per ton more and sulphuric acid at $0.15 to $0.20 per ton more than prevailing international prices.

In a press statement, the solons said that an investigation is needed "to relieve the country's over 1.4 million farmers of very serious problems spawned by higher prices and irregularities in fertilizer imports and distribution."

Philphos, they said, was established at a cost of over $450 million (P9 billion) on which interest charges exceeding P1.2 billion are paid yearly. They said the investigation they proposed under Batasang Pambansa [BP] Resolution 107 has gained urgency due to orders issued by President Marcos the other day for the review of the operations of the fertilizer industry to protect and better promote the interests of the country's farmers.

BP Resolution 107 calls on the Batassan Committee on Agriculture and Food to conduct "extensive public hearings to audit and account for the resources of the fertilizer industry and to establish the causes of all its problems for the purpose of formulating remedial legislation."

Earlier, opposition MPS also charged that Philphoshas "gravely prejudiced millions of Filipino farmers by selling fertilizer at very much lower costs to foreigners."

However, Philphos president Miguel M. Zosa denied the charges saying Philphos was selling fertilizers to local farmers at lower than export prices.

The solons, on the other hand, pointed out that the FERTILIZER TRADE INFORMATION, monthly bulletin of the Fertilizer Advisory, Development and Information Network of Asia and the Pacific (FADINAP) debunked Zosa's claim in its March and September 1985 issues.

"As an agency jointly operated by three agencies (FAO, ESCAP and UNIDO) of the United Nations Organization, the FADINAP is the most responsible and reliable international authority on the fertilizer industry and there is no reason to doubt its records and pronouncements," they said.

They added that "for Mr Zosa, who occupies conflicting positions as Fertilizer and Pesticides Authority administrator and Philphos president, to claim otherwise could only subject him to worse suspicions deserving of extensive investigation."

The FADINAP reported that Philphos sold 120,000 tons of diammonium phosphate (18-46-0) to China in February, 31,544 tons of ammonium phosphate (16-20-0) to Thailand in July and 15,000 tons of 18-46-0 to Iran in August 1985.

The MPS pointed out that Philphos's sale of 18-46-0 to China at $219.50 per ton, C and F bagged, was $65.50 or P1,300 lower than the $285 per ton charged Filipino farmers.

Philphos's sale of 31,544 tons of ammonium phosphate to Thailand at only $162.18 per ton, C and F bagged, was $9.82 lower than the $172 per ton sold locally while the 15,000 tons of 18-46-0 sold to Iran at only $188 per ton was $87 lower than the $175 per ton charged to local farmers.

These transactions alone, they stressed, cost Filipino farmers at least $9.47 million or P190 million.

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CSO: 4200/410

MANILA WILL CLOSE ONE OIL REFINERY

HK200630 Manila METRO MANILA TIMES in English 19 Dec 85 p 12

[Text] At least one existing oil refinery will be shut down as part of the government's rationalization program for the oil industry. This was revealed yesterday by Energy Minister and Philippine National Oil Corporation (PNOC) Chairman Geronimo Z. Velasco who said because of the shrinking energy market, the three remaining oil companies--Shell, Caltex, and Petrophil--have been forced to reduce operation.

A study will still be conducted to find out which of the existing refineries will be shut down. He refused to say which refinery was the likely candidate but according to him, the government-owned Bataan Refinery would not be it.

The PNOC, Pilipinas Shell, and Caltex Philippines recently signed an agreement to reduce the number of existing gasoline service stations. Under this agreement, two old stations would have to be closed for every station that is rebuilt. This is being done since business in the oil industry has tapered off greatly as a result of the energy conservation movement, he said. Velasco added that the three oil companies had also agreed to jointly operate six bulk plants to improve efficiency and cut costs. Each of the oil companies will be assigned specific areas to operate. The two other oil companies which will close down existing bulk plants in the assigned area would just rent the facilities of the assigned oil company. Petrophil will handle the bulk plant facilities in Culan, Capiz, and Zamboanga. Caltex will take care of the General Santos and Amlan, Negros grid, while Shell will control the Legaspi, Albay, and Tagbilaran, Bohol facilities.

The energy minister said the marketing and distribution rationalization program for the oil industry was already under way. The Tara oil discovery has been re-evaluated, he said, and will start operating again by late next year, he said.

Wenceslao de la Paz, Bureau of Energy Development director, said Petro-Canada, an oil consulting firm, had completed a seismic reinterpretation and preliminary feasibility studies. De la Paz said based on the findings of the firm, the site could produce a minimum of 800,000 barrels of oil or a maximum of 4.4 million barrels. Total cost of subsea development, he said, was $6,156,000. He added that a 3-D seismic survey would begin on January 15, 1986 and would be completed by the end of April.

Velasco said between 1986 and 1990, no major investments would be made in the oil industry. The five-year energy plan of the Ministry of Energy, he said, would continue with its ongoing transmission line projects.

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CSO: 4200/439

PHILIPPINES

BRIEFS

DRAFT PROGRAM ON SUGAR LAND DISTRIBUTION--President Marcos is expected to receive within 1 week the draft of the program to distribute foreclosed sugar land to dislocated workers. The draft of the program has been discussed by officials of the Labor Ministry, the Agrarian Reform Ministry, and government financial institutions. The proposal to distribute foreclosed land was made by President Marcos last May. The Philippine National Bank [PNB] has agreed to lease an initial 1,000 hectares to dislocated workers in Negros Occidental alone. Existing laws allow banks to dispose of their acquired assets after the legal redemption period had expired. [Text] [Quezon City Maharlika Broadcasting System in English 0400 GMT 10 Dec 85 HK] /12858

AGRICULTURE MINISTRY 1986 PLANS--The Ministry of Agriculture and Food [MAF] has revealed its plans for 1986. The program will involve import substitution and export expansion of various agricultural products. That report from correspondent Ramon Principe: [Begin Principe recording] MAF Minister Salvador Escudero spelled out the new program, which he said will enhance the country's agricultural productivity and increase its foreign exchange earnings and reserves. Escudero said the plan calls for increased role of four agencies in the ministry. The Bureau of Plant Industry, Bureau of Fishery and Aquatic Resources, Philippine Dairy Corporation, and the Bureau of Animal Industry would be tapped to carry out the program. Elaborating on the substitute program for dairy products, of which almost 80 percent is imported, there would be accelerated production of dairy products from cattles, carabaos, and goats. The dairy program being carried out by the Philippine Dairy Corporation and the Bureau of Animal Industry are expected to produce 50 percent of the country's dairy requirements within 10 years. [end recording] [Text] [Quezon City Maharlika Broadcasting System in English 0700 GMT 16 Dec 85 HK] /12858

RICE PURCHASING TARGET--The Ministry of Food and Agriculture [MFA] is buying 10 million cavans of palay in 1986. It is part of MFA efforts to assure profitable prices for farmers. The target is way above the procurement record of the MFA in top year 1985, when the food agency purchased 6.7 million cavans. MFA said that it wanted to ensure adequate stock and good prices. [Text] [Quezon City Maharlika Broadcasting System in English 0400 GMT 20 Dec 85 HK] /12858

CSO: 4200/439

SUPREME COMMAND INFORMATION DIRECTOR PROFLILED

Bangkok DAO SIAM in Thai 6 Nov 85 p 6

[DAO SIAM Club column: "Lt Gen Wichit Bunyawat, the Director of the Information Office, Supreme Command Headquarters"]

[Text] Lt Gen Wichit Bunyawat, age 54, was born on 9 June 1931. He attended the Phra Pathomwithayalai School in Nakhon Pathom, where he graduated from secondary school. In 1950 he entered the Chulachomklao Royal Military Academy. He graduated from the academy in 1955 as an artilleryman. Fellow classmates included Lt Gen Phichit Kunlawanit, Lt Gen Wichit Sukmak (these two men, who placed first in their class, were selected to study at West Point and so they attended CRMA for only 1 year) and Lt Gen Damrong Sikkhamonthon. He attended the Artillery School, where he completed the company commander's course as a member of Class 7 in May 1957 and the battalion commander's course as a member of Class 5 in 1962. In 1963-64 he attended the Army Command and General Staff College as a member of Class 42. In 1956 he took the map reconnaissance and motor vehicle courses at the Artillery School at Fort Sill, Oklahoma. He attended the Staff College at Fort Leavenworth in the United States in 1968. In 1973 he took the psyops course. He was assigned to the Artillery Center in 1955, where he served as an instructor in the weapons and firing sections. He served as the commander of the 21st Artillery Battalion and then moved up to become the chief of staff of the AAA Division. He served as an instructor at the Army Command and General Staff College and at the Institute of Army Academies. In 1974 he was appointed the assistant secretary of the army. He became army secretary in 1976. In 1982 he was appointed chief of the Civil Affairs Department, the first person to head this department. He was appointed deputy director for administration, Information Office, in 1984 and then director in 1985. He was once attached to UN Headquarters in Seoul, and he once served at the Army Operations Center. He served as the director of the Army Reporting and Intelligence Center. He served in Vietnam in 1971 and 1972. He has battlefield medals from the two countries in which he fought. He has observed military activities in both the United States and Australia.

He is very proud of having served as a royal aide-de-camp since 1982. He is now attending the National Defense College as a member of Class 28 (1985-86), ID number 1846. All his subordinates are very happy at his promotion to director of the Information Office, Office of the Supreme Commander, Supreme Command Headquarters.

He is married to Yuwapha (Bunpin) Bunyawat. They have two daughters and one son: Lt Thirawat, age 25, who graduated from CRMA, who is attached to the 21st Artillery Battalion and who is now undergoing artillery training at Fort Sill; Natthawit, age 23, who earned her bachelors' degree in economics from the University of Commerce and her Masters' degree in public relations administration from Abedin University in the United States and who now works at the main branch of the Thai Commerce Bank Ltd; and Miss Sarisini, age 16, who is in Grade 11 at the Satri Withaya School.

During his free time, he likes to play golf, tennis and jog. He likes all kinds of foods. He enjoys listening to music more than playing music. He likes to read all types of books. He wears a Buddhist amulet. During the war abroad, he came under heavy enemy artillery attack, but he managed to survive. He still has a fighter's spirit. He considers soldiers to be just like other people. He has never separated himself from the people. He wants to create between understanding between civilians, policemen and soldiers. He wants people to understand the situation and cooperate in the interests of national security. As for "rumors," he would like people to use their judgment to decide whether a rumor is true or not. He would like them to be aware and to think about the common good so that the country can survive. People should not harm the country by spreading rumors. The soldiers are the friends of the people. Soldiers are just ordinary people. They are not separate from the civilians. This reminds one of the saying "don't drag the sky down, don't split the rock and don't disrupt solidarity." We need to pay attention to this now.

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CSO: 4207/66

THAILAND

3D ARMY COMMANDER PROFILED

Bangkok DAO SIAM in Thai 6 Nov 85 pp 6, 14

[DAO SIAM Club column: "Lt Gen Ruamsak Chaiyakomin, the Commanding General of the 3d Army Area"]

[Excerpt] The new commanding general of the 3d Army Area, Lt Gen Ruamsak Chaiyakomin, who was promoted from deputy commanding general, has a crew cut and speaks forcefully even though he speaks with an accent. He is a sincere and hardworking man. He is very patriotic.

He is 59 years old. He was born on 23 April 1926. He is the third of the five children of Mr Yu and Mrs On (the Mother of the Year in 1977). His older siblings are Captain Kitti Chaiyakomin and Commander Chanraem Chaiyakomin. His younger siblings are Wanlop Chaiyakomin and Police Lt Col Surasak Chaiyakomin.

He completed secondary school in Kanchanaburi. He applied to the Army Preparatory School, classes 5 and 6, but was not admitted and so he attended the army academy as a member of Special Class 6. He was then admitted to the Army Prepartory School as a member of Class 7. At that time, classes 5-7 had to train at Pa Daeng in Phetchabun when Field Marshal Phibunsongkhram moved the capital to Phetchabun. He remained there until 1949. Fellow classmates included Lt Gen Uthai Kosilanon, Vice Admiral Kasem Mekloi, Air Vice Marshal Prayat Ditsayasarin and Police Gen Sawanna Rattanachun. He attended the National Defense College as a member of Class 23 and took special forces training in Malaya and the United States. He was assigned to the 13th Infantry Regiment in Udorn Thani as a platoon leader. Following that, he was transferred to Lopburi in 1953. During this period, he took paratroop training and was assigned to special forces duties at the Erawan Camp. He was a member of the army's first paratroop unit. He served as a paratroop instructor there for 5 years. He served with the special forces at Pa Wai for 24 years. In 1977 he was transferred to Phitsanulok, where he served as the deputy commander of the 4th Infantry Division. He was promoted to major general in 1979 and made the commander of the Chiang Mai Military District. He was transferred back to the 3d Army Area at Phitsanulok in 1981 and made the commander of the 4th Infantry Division. He was made the deputy commanding general and then the commanding general of the 3d Army Area. He is said to have a great knowledge of this region. He has deep feelings about this region and feels that anyone who tries to take even an inch of this territory must be resolutely opposed.

He loves sports and enjoys playing rugby, his favorite sport. He once competed against his older brother, who is in the navy. Even today he is still physically strong enough to play rugby. He is slim like most paratroopers.

He is married to Wilai Suwari. They have five children: Sasirat, the wife of Dr Chaowarot Ubonwirot, Sirirat, Thotsaphon, Raknikan and Ruamwilai.

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CSO: 4207/66

'RED-BAITING' NOTED, ARMY URGED TO BOYCOTT DEMOCRATS

Bangkok DAO SIAM in Thai 9 Oct 85 pp 1, 2

[Excerpt] At 1000 hours on 8 October at the new headquarters of the Democrat Party on Setthasiri road, Mrs Suphatra Matsadit, the spokesperson for the Democrat Party, Mr Narong Pannok, the former president of the Democrat Youth Group, and Mr Nakhon Chomphuchat, the current president of the Youth Group, made a joint statement to reporters denying any involvement with the illegal leaflets that have appeared following the rebellion of 9 September.

Mrs Suphatra Matsadit said that she would like to see this matter come to an end. No one would have thought that the Democrat Youth Group was involved in this if certain people hadn't taken this opportunity to use this as a political tool. One military officer brought her some documents to look at and told her that leaflets were being distributed in Ban Phibun Wattana, where most of the families are military families. She believes that someone wanted to create misunderstanding and generate hatred for the Democrat Party.

The spokesperson for the Democrat Party also said that when they went to the Makkasan railway settlement to make speeches, they were informed that supporters of an opposition party were spreading rumors among people in the Charurat slum area. They told the people that the Democrat Party was behind the 9 September rebellion and that it was the Democrat Party that was disseminating the leafleft attacking the military. But the Democrat Party is not involved in this. This is just a dirty political trick to generate misunderstanding and make the people hate the Democrat Party. For example:

A villager came and said that he and friends from the Huai Khwang area were forced to attend a meeting by people who claimed to be from the Internal Security Operations Command. They were told not to choose No 1 because the Democrat Party was a communist party. A godfather met with hoodlums in the various areas and told them that the "boss" had ordered them to block No 1 in every way possible. There have also been rumors that a senior military officer has ordered soldiers in the voting precincts to vote for the other party.

Mrs Suphatra said that the Democrat Party believes that most soldiers now have a more democratic spirit. She does not believe that soldiers would do such things. However, such things occur frequently during election campaigns. The purpose is to confuse people, create suspicion and generate boredom with the election. Thus, the Democrat Party hopes that the people will consider the various rumors carefully. The Democrat Party has done enough over the years to prove itself and so the people can rest assured. The party will be fair, said Mrs Suphatra in conclusion.

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CSO: 4207/66

PEOPLE'S REPUBLIC OF KAMPUCHEA

REPORT ON AGRICULTURAL DEVELOPMENTS 16-22 DECEMBER

BK230700 /Editorial Report/ Cambodian media monitored by Bangkok Bureau carried the following reports on agricultural developments in Cambodia during the reporting period 16-22 December:

National level: SPK in English at 1108 GMT on 21 December reports that this year, some 94,850 cubic meters of timber were produced in Cambodia. It also reports that afforestation projects will be carried out in the provinces of Koh Kong, Stung Treng, Kompong Cham, and Kompong Thom; and 120,000 cubic meters of timber and 10,000 cubic meters of sawn timber are expected by the end of (?this year).

Kandal Province: SPK in English at 1100 GMT on 21 December reports that, despite unfavorable weather in the last monsoon, peasants in Dangkao District of Kandal Province put 5,840 hectares under rice by transplanting and direct sowing. The peasants had also, by the end of November, planted rice on 100 of the 500 hectares earmarked for this dry season.

Kompong Cham Province: Phnom Penh Domestic Service in Cambodian at 0430 GMT on 21 December reports that up to 10 December, peasants in Tbong Khmum District of Kompong Cham Province had planted more than 400 hectares of floating rice. They have also planted more than 1,370 hectares of corn.

Kampot Province: The radio at 0430 GMT on 22 December reports that in 1985, fishermen in Kampot Province caught more than 2,100 metric tons of fish, 320 metric tons of prawns, more than 1,000 metric tons of crab, 120 metric tons of squid, and 427 metric tons of other kinds of sea food.

Kompong Speu Province: SPK in English at 1100 GMT on 21 December reports that by the end of November, peasants in Phnum Sruoch District had reaped 20 hectares of short-term rice.

Siem Reap-Oddar Meanchey Province: The radio at 0430 GMT on 20 December reports that by mid-November, peasants in this province had harvested more than 6,000 hectares of rainy season rice.

/12228
CSO: 4212/40

PEOPLE'S REPUBLIC OF KAMPUCHEA

CHEA SIM ATTENDS MEETING OF TRADE UNIONS 24 DECEMBER

BK250917 Phnom Penh Domestic Service in Cambodian 0430 GMT 25 Dec 85

/Text/ On the morning of 24 December, at the office of the Kampuchean Federation of Trade Unions /KFTU/, the fourth meeting of the KFTU committee was solemnly held. Honoring the meeting were Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly and the KUFNCD National Council; Comrade Mat Ly, member of the party Central Committee Political Bureau, vice chairman of the National Assembly, and chairman of the KFTU; and Comrade Heng Teav, member of the Council of State and vice chairman of the KFTU. Also attending the meeting were the comrade secretaries and deputy secretaries of trade union committees, and representatives from central services' trade unions and from provinces and municipalities throughout the country.

Opening the meeting, Comrade Mat Ly expressed warm thanks to the meeting, which is being held at a time when the whole party, army and people are striving to contribute to expanding the victories of the 1984-1985 dry season, particularly the brilliant success of the party's Fifth Congress. The comrade stressed that from past and present experience, the trade union movement has rallied the people's forces and the working class to actively participate in the three revolutionary movements and has achieved good results. Many outstanding units and individuals have emerged in the tasks of defending and building the fatherland and defending revolutionary gains. Comrade May Ly also called on the meeting to strive to use its good experience from past work to provide lessons for future tasks aimed at advancing the fourth KFTU meeting toward success.

/12228
CSO: 4212/40

PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

KONG SAM-OL VISITS WOUNDED--To mark the 41st founding anniversary of the fraternal VPA, on the morning of 22 December a joint delegation of various central ministries and offices led by Comrade Kong Sam-ol, minister of agriculture, visited and presented gifts to Cambodian cadres and combatants hospitalized at 1/79 hospital. During the visit, Kong Sam-ol expressed profound gratitude to the KPRAF and the Vietnamese Army volunteers for fighting shoulder-to-shoulder to smash the French colonialists, Japanese fascists, U.S. imperialists, Beijing expanionists, and genocidal Pol Pot-Ieng Sary-Khieu Samphan clique and for liberating Cambodia on 7 January 1979. The comrade highly valued the heroic deeds of the Cambodian and Vietnamese armed forces, which fought valiantly to defend the fatherland the revolutionary achievements. He added: The people throughout the country will always remember the good service of fallen, wounded, and disabled combatants and pledge to follow the example of the KPRAF and the fraternal Vietnamese Army volunteers and to give all kinds of assistance in order to link the front with the rear. Comrade doctor (So Sokha), director of hospital 1/79, thanked the party and state for always paying attention to and providing mental and material assistance to Cambodian and Vietnamese cadres and combatants. /Text/ /Phnom Penh Domestic Service in Cambodian 0430 GMT 24 Dec 85 BK/ 12228

BATTLE REPORT FROM CHHUK DISTRICT--In 1985, the armed forces of Chhuk District in Kampot Province launched 359 sweeping operations against the enemies, clashed with them 39 times, launched 17 operations in close cooperation with the Vietnamese Army volunteers, and conducted 22 independent operations, during which they put out of action 37 enemies, wounded 16 others, and killed 31 on the spot /sentence as heard/. They also seized 12 weapons, including 1 AK-54, 2 SK's and 9 AK's, 220 rounds of assorted ammunition, 2 B-40 rockets, 1 M-79 grenade, 652 claymore mines, 1,165 kg of rice, and war materiel. The armed forces of Chhuk District are making every effort to turn themselves into genuine revolutionary forces and are cooperating closely with the people and the Vietnamese Army volunteers in the operations to smash all enemies hiding in the jungle as well as those mingling among the masses, thus successfully ensuring security for the people. /Text/ /Phnom Penh Domestic Service in Cambodian 0430 GMT 24 Dec 85 BK/ 12228

SIEM REAP-ODDAR MEANCHEY OPERATIONS--Security forces in Siem Reap-Oddar Meanchey Province have recently closely cooperated with local state authorities and people and the Vietnamese volunteery army to launch operations to sweep up enemies and firmly defend their locality. During the past 10 months, security forces in Siem Reap-Oddar Meanchey Province took the intitative to fight the enemy and achieved remarkable results. We killed 330 and wounded more than 490 enemy soldiers; took 58 prisoners; and uncovered 27 hidden enemy elements; and seized more than 360 weapons and much war material. Currently, the Siem Reap-Oddar Meanchey security forces, in cooperation with local state authorities and people, are heightening their spirit to hold aloft the banner of national unity and proletarian internationalist solidarity, particularly the solidarity with Vietnam, and to activity fight against the enemies until they are completely destroyed to firmly defend the localities. /Text/ /Phnom Penh Domestic Service in Cambodian 0430 GMT 25 Dec 85 BK/ 12228

BATTLE REPORT FOR KOMPONG CHHNANG--The armed forces throughout Kompong Chhnang Province in close cooperation with the Vietnamese Army volunteers have intensified attacks against the Pol Pot-Ieng Sary-Khieu Samphan enemies. As a result, in 1985, the provincial armed forces killed 115 enemies, wounded 95 others; captured 8 others; and seized 45 assorted weapons--3 B-40's, 2 B-40.5's, 1 RPD, 1 60-mm mortar, 30 Ak's, 7 pistols, and 1 (?SK)--(?54) rounds of B-40 and B-40.5 rockets, 27 mines, and some war materiel. The armed forces of Kompong Chhnang Province pledge to enhance their will to fight in the current dry season in order to totally smash the enemies, thus creating great achievements for welcoming the Fifth KPRP Congress. /Text/ /Phnom Penh Domestic Service in Cambodian 1300 GMT 23 Dec 85 BK/ 12228

STATE AFFAIRS INSPECTORATE MEETING--The state affairs inspectorate held a meeting at the Bassac theater hall on the morning of 24 December under the chairmanship of Comrade Chea Soth, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of planning. Attending this meeting were the comrade ministers, deputy ministers, and the provincial and municipal state affairs inspectorate chiefs and deputy chiefs. Chea Soth made an opening speech stressing the victories scored by the Cambodian revolution in military and political fields. The comrade also noted the implementation of the inspectorate tasks carried out in accordance with the first 5-year plan of the party and state for 1986-90. The comrade further noted the need to strengthen the inspectorate work and its system from the central to local levels in order to improve this work to a greater extent. He stressed that this first meeting to sum up the outcome of state affairs inspectorate work will be significant because it will allow the inspectorate to draw conclusions concerning its good experience and any shortcomings. /Text/ /Phnom Penh Domestic Service in Cambodian 0430 GMT 24 Dec 85 BK/ 12228

MEAN SAM-AN ATTENDS WOMEN'S CONFERENCE--The women's national conference to sum up the women's movement's achievements in 1985 concluded at the office of the Kampuchean Revolutionary Women's Association on the morning of 26 Decembeer after completing its 3-day session with success. On this occasion, Mrs Mean Sam-an stressed the courage and heroism of our sisters over the past 7 years in the cause of building and defending the Cambodian motherland. She urged all conference participants to further heighten their fighting will once they have returned to their hometowns in order to carry out the tasks entrusted by the party and state. She also urged them to study and temper themselves in order to build leading apparatuses for each province and city and expand the real forces of the revolution and national and interantional solidarity, especially with our Vietnamese friends, contributing to building the Cambodian nation toward socialism. /Text/ /Phnom Penh Domestic Service in Cambodian 1300 GMT 26 Dec 85 BK/ 12228

INDIAN COMMUNIST PARTY MEETING--Comrade Heng Samrin, general secretary of the KPRP Central Committee, recently sent a greetings message to the 12th Congress of the Indian Communist Party held in Calcutta. The message says, among other things: On behalf of the People's Revolutionary Party, the working class, and the people of the PRK, we would like to extend to the 12th Congress of the Indian Communist Party and, through the congress, to the Indian working class and people our closest fraternal congratulations. As chairman of the Nonaligned Movement, the Republic of India has made great contributions to safeguarding peace in Asia and the world. On this occasion, we would like to express sincere gratitude to the Indian Communist Party and people for their vigorous support for the Cambodian people in the cause of their struggle against imperialism and international reaction to build and defend the fatherland. Once again, we wish the 12th Congress of the Indian Communist Party new and greater successes in the cause of struggling for independence, unity, territorial integrity, and progress for India and for a peaceful and nuclear-free Indian Ocean, against the arms race, and for the prevention of a nuclear war and for peace in the region and the world. /Text/ /Phnom Penh Domestic Service in Cambodian 0430 GMT 25 Dec 85 BK/ 12228

DELEGATION VISITS HOSPITALIZED SRV SOLDIERS--On the 41st founding anniversary of the fraternal socialist Vietnamese people's revolutionary army, a delegation of party and state representatives led by Comrade Chan Seng, alternate member of the KPRP Central Committee Political Bureau, paid a visit to fraternal cadres and combatants of the Vietnamese volunteer army hospitalized in the cause of Cambodia's defense and reconstruction. During the conversation, on behalf of the party and state of the PRK, Comrade Chan Seng expressed deep thanks to the Vietnamese Army and people for their priceless noble service given the Cambodian people both morally and materially on the basis of a lofty spirit of the proletariat. He stressed that the good service made by the army volunteers in flesh and blood in the cause of the revoltuion has been inscribed forever in the hearts of the Cambodian people. In reply, a representative of the Vietnamese forces carrying out proletarian internationalist obligation on the land of Angkor thanked the party and state of the PRK for the facilities provided to the Vietnamese Army volunteers their task. He stressed that the Vietnamese volunteer army is ready to complete their internationalist duty whenever the Pol Pot-Sihanouk-Khieu Samphan clique is eliminated. The visit ended in an atmosphere of cordiality and everlasting militant soldarity. /Text/ /Phnom Penh Domestic Service in Cambodian 1200 GMT 24 Dec 85 BK/ 12228

DELEGATION RETURNS FROM PRAGUE--Phnom Penh, 18 Dec (SPK)--The delegation of the Kampuchean Revolutionary Women's Association returned to Phnom Penh after attneding the General Assembly meeting of the Women's International Democratic Federation (WIDF) in Prague from 27 November to 2 December. The delegation was led by Mean Sam-an, member of the KPRP Central Committee and chairman of the association. During its stay in Prague, the Cambodian delegation also attended a meeting of Asian and African women and met with the delegations of women from the GDR, Afghanistan, Angola, Nicaragua, Poland, Bulgaria, Finland, France, and Australia. Protocols on cooperation between the Cambodian women and those of the GDR and Afghanistan were signed on this occastion. [Text] [Phnom Penh SPK in French 0407 GMT 18 Dec 85] /12640

TRADE TIES WITH SRV--Phnom Penh, 23 Dec (SPK)--For 2 years now Cambodia's import-export company KAMPEXIM has expanded its trade relations with the import-export company PHU NHUAN (Ho Chi Minh City) of Vietnam. In 1984, PHU NHUAN exported to Cambodia 3,000 metric tons of treated corn. This year, KAMPEXIM has sent about 10,000 metric tons of corn to PHU NHUAN for export abroad. KAMPEXIM of Cambodia sold to Vietnam raw agricultural products, timber, and other forest products and bought back local industrial products such as sewing machines, toothpaste, half-leather products, wool, bicycles and spare parts, porcelain and ceramic, glass articles, and cloth. In 1985, the PHU NHUAN import-export company's turnover with KAMPEXIM represented 40 percent of its foreign trade compared to 30 percent in 1984. [Text] [Phnom Penh SPK in French 1154 GMT 23 Dec 85] /12640

SPK REPORTS KPRAF ACTIONS--Phnom Penh, 26 Dec (SPK)--In November, the KPRAF in cooperation with the Vietnamese volunteers launched 102 operations against the enemy during which they put out of action 507 enemy soldiers, including 236 killed, 33 wounded, and captured, 166 forced to surrender, and 11 defectors to the revolutionary side. Moreover, the revolutionary forces seized 183 weapons, more than 1,000 rounds and shells, 3 boats, and 1 truck and destroyed 1 clandestine depot of explosives. From January to October, 4,170 persons misled by enemy propaganda reported themselves to the revolutionary authorities -- 70 percent of the returnees were persuaded either by their families or their relatives. In November alone, 326 other misled persons left the enemy ranks bringing with them 124 weapons. [Text] [Phnom Penh SPK in French 0422 GMT 26 Dec 85] /12640

CSO: 4219/18

MILITARY AFFAIRS AND PUBLIC SECURITY

POLITBURO MEMBER COMMEMORATES 10TH ANNIVERSARY OF LIBERATION

Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese Aug 85 pp 34-40

[Summary of speech by Nguyen Van Linh, a member of the Political Bureau of the Party Central Committee and Secretary of the Ho Chi Minh City Municipal Party Committee, at the Historical Science Conference held in Military Region 7 to commemorate the 10th anniversary of the liberation of the South: "The Victory of Our Party's People's Creative People's War Line"]

[Text] This Historical Science Conference on the Ho Chi Minh Campaign is one of the very great events commemorating the 10th anniversary of the liberation of the South, the unification of our Fatherland, the defeat of the U.S. imperialists, and the disintegration of the lackeys.

In a brief period of time I would like to speak in a general way about recapitulating Vietnam's people's war, which defeated the French imperialists and then the U.S. imperialists. It was a very Vietnamese people's war. China also spoke of people's war but our people's war is very different from the people's war doctrine of Mao Xidong, and is not only different but also very creative.

I think that in recapitulating people's war it is first of all necessary to reflect our Party's people's war line. That is a line of all-round people's war by all the people which is manifested by the three offensive prongs: military, political, and military proselytizing. The military and the political are parallel to and closely combined with each other. Politics are also one of the offensive prongs and do not merely back up and support the military. Of course, it is necessary to, on the basis of a broad political movement, create strength for the military prongs, and the stronger the military prong becomes the more it furthers the development of the political and military proselytizing prongs. The political prong and the political front are also an offensive prong and an offensive front, and are not restricted to campaigning for the people to participate in the army and provide morale and material support and the other conditions.

But if there is only political struggle, as during the period between the Geneva Agreement and Resolution 15, which was a period of peaceful struggle and the use of political struggle to overthrow an imperialist aggressor and its lackey governmental apparatus, that will not do. The U.S. imperialists differed from the French colonialists in that they not only relied on the reactionary forces of the feudalists and landlords but also created a compradore capitalist class as a basis of support. It consisted of big bourgeoisie, both Vietnamese and Chinese. Our Party analyzed it as being a gang of bureaucratic, militaristic compradore bourgeoisie. They grew rich from the war and were very close to the puppet regimes, from Diem to Thieu. The puppet government officials and high-ranking officers also became rich because of the war. For example, the wife of Ngo Dinh Nhu organized many companies, used her relatives and lackeys in doing business, built buildings, roads, and bridges to serve the war and the U.S. army, and engaged in exporting and importing or used production installations to serve the U.S. army and the lackey army. Because they had positions and authority in the regime and in the army, they themselves or their relatives and lackeys became compradore bourgeoisie. Thus it would be insufficient for us to speak only of the bourgeois regime, for that regime was a very tyrannical regime of the compradore bourgeoisie, the bureaucrats, and the militarists. however, we waged only a political struggle, especially between 1954 and Resolution 15, while Diem was taking the guillotine everywhere to kill cadres and patriots. Only later did we launch simultaneous uprisings. We waged only political struggle while they were using army operations to annihilate the "Viet Cong" and build a regime that extended from the central level down to the municipalities, provinces, districts, and villages. In some villages our party chapters were wiped out three or four times. Many of our comrades were arrested, killed, or imprisoned. In the 1955-1956 period our political movement struggled to demand the implementation of the Geneva Agreement. In this very city, on 1 May a very large number of people participated, with the slogans of increasing salaries, reducing work hours, ending unemployment, and even demanding salary increases for the puppet troops and policemen. The enemy used their entire apparatus to suppress the demonstrations but were unable to do so. Because of the slogan of demanding salary increases for the puppet troops and police, they supported us and looked the other way. But because of enemy terrorism the movement gradually subsided. After quelling the Binh Xuyen, Diem set about building his army. His army was also built along the lines of three kinds of troops: civil guards, local troops (district and provincial security forces), and the military regions, including many divisions. The police and spy apparatus was very violent. Therefore, we told one another that we were waging political struggle but should be fighting them. Clearly, we could not force such a tyrannical compradore bourgeois, bureaucratic regime and the U.S. imperialist aggressors, who were much more savage and cruel than any of the other colonialists, to enforce the Geneva Agreement and unify the Fatherland only by means of a political force struggling for peace, and it would be even more difficult to overthrow the regime.

Many ordinary citizens, not cadres, such as those in Binh Duong (formerly Thu Dau Mot), wrote more than 20 letters to the Regional Party Committee requesting that the Party launch an armed struggle. In many places party members demanded the return south of the units that had been regrouped in the North. In many places our comrades took weapons from the puppets and formed squads to fight back against the enemy. If we had only a few squads it was certain that they would annihilate us. I know of a member of the district party committee in Minh Hai who did so.

At that time comrade Le Duan was still in the South. He also discussed with us the necessity of carrying out a revolution,so we drafted a program that later became Resolution 15, on the necessity of wagging a revolution. In order to overthrow the enemy regime there had to be a political movement, but at the same time there had to be armed struggle. As Marx said, to overthrow a regime of the ruling class with an army and police the armed masses have to arise to take political power by means of violence. That was in contrast to viewpoints which distorted and betrayed Marxism and the policy of using the path of peaceful parliamentarianism to overthrow a regime. For that reason, in our country only by advancing from political violence to armed violence could we overthrow a regime with an extremely reactionary and obstinate nature.

Comrade Le Duan, who was then still in Military Region 9, allowed the cadres and youths to organize "secret" military forces. Then he sent comrade Xuyen (Footnote 1) (i.e. Nguyen Huu Xuyen, now a Major General in the Vietnam People's Army) and comrade "8 Le Than" (Footnote 2) (Comrade "8 Le Thanh" is now a Major General and deputy commander of Military Region 7) to come up here and organize a number of companies and battalions. In some places platoons were organized, but their numbers were limited and the main emphasis was still on political struggle. The enemy concentrated their attacks on us in places where movements to eliminate traitors arose and attacks against the enemy were organized. Therefore, we had to disperse from platoons down to squads and even to teams. One one occasion a comrade who was being chased by the enemy held up his weapon while running and said to them, "I have a weapon but because of the Party's line I won't shoot you. Otherwise I'd kill you all." During that time I heard that many of the comrades who had been regrouped to the North also wanted to return to the south to fight, so there arose the thought, "today in the North, tonight in the South."

The directive opposing Law 10-59 was issued a few months before Resolution 15. Resolution 15 called for a revolution to overthrow the puppet regime. After we disseminated Resolution 15 our cadres'spirits immediately rose. Previously we had to be reeducated three times a year and continued to speak of political struggle and explain that our struggle was not yet strong and that we were thus not yet ready and had to struggle more strongly. When we were first told such things we were fully in agreement, but after we returned we began became confused! Therefore, in the 1957-1958 period our Regional Party Committee carried out reeducation three times a year but still achieved no results. But when Resolution 15 was explained to us and we received the directive against Law 10-59 we discussed the necessity of launching a simultaneous uprising, i.e. using the political forces of the masses.

Comrades who had to flee into the U Minh Forest from many places and had to flee into the bush from the delta now returned. At the end of 1959 we sent a message requesting the Central Committee to permit us to carry out an uprising. In the uprising we would use mass forces in the villages to disarm the civil guard and immediately organize guerrilla forces. Then we would immediately build up our forces from the platoon level up to the company level and equip them by taking weapons from the enemy. Then we would send a meassage north requesting the Central Committee to send cadres and weapons south to organize the three types of troops. In the process of organizing the three types of troops and establishing bases, we thought that we could perhaps create a division of three areas: a base area, a guerrilla area, and a temporarily occupied area, as we did during the anti-French resistance war.

After we in the south sent a message north the General Secretary sent a message south which said that we had to have sufficient weapons and build up the three types of troops, and that the North would send weapons, and gradually send cadres, south. In 1963, Tu Chi (Footnote 3) (i.e. comrade Tran Van Tra) came south. But it was still essential that we maintain the political struggle of the masses and push it forward. But because our armed prong won a big victory we had additional conditions for promoting the political prong, not only in the rural areas but also in the cities. It was essential that the masses in the liberated areas continue to maintain their legal status, except for some youths who feared being conscripted if they struggle legally. The rest, from middle-aged people to old men and women, continued to maintain their legal status. When the enemy mounted sweeping operations the people waged political struggle against them, maintained their legal status, and were inseparable, so the enemy could not isolate us economically. In Eastern Nam Bo we still had enough rice to eat, in contrast to the anti-French resistance was period, when we lacked rice. During that time Tran Van Tra and Hung themselves had to bring milk cans full of rice when they went to Eastern Nam Bo. Therefore, when I went to Hanoi in 1963 to meet with Uncle Ho he asked me, "Where do you live?" I replied that I lived in Eastern Nam Bo. He said, "I hear that there's a shortage of rice in Eastern Nam Bo, so how are things with you?"

"We have engough rice to eat."

"How much do you have?"

"Thirty liters a month."

"Who eats 30 liters a month, you or the troops?"

"Dear Uncle, the troops eat it. How could I eat 30 liters a month?"

"Then that is very good."

Uncle Ho asked me how we were able to accomplish that and I explained the situation to him. That also meant that the political and armed prongs went side by side and that only on that basis could we carry out the military proselytizing work well. In some places we were able to mobilize additional money to make purchases from the enemy rear services officers.

Therefore, I think that when recapitulating the popular struggle we should recapitulate the armed prong. We had to have strong armed forces, not only the ordinary guerrilla war forces but also all three types of forces had to be strong and the main-force units had to be even stronger. The puppet military forces were very strong and later U.S. troops were brought in. Therefore, if we did not strengthen our main-force troops we would have no way to defeat them and would have no way to support the political and military prongs to become stronger. In the rural areas, in the cities, and even in their lairs, such as this city, the political struggle prong was also very special.

When we review the anti-French resistance war we see that this city also had political struggle, such as the students' movement, the movement of representatives of all circles, of whom Nguyen Huu Tho was the open delegate, the anti-U.S. movement of 19 March, etc. Those movements were very strong. But in comparison the political struggle movement in the city during the anti-U.S. resistance war was stronger and had many very special forms. The political forces in both the rural and urban areas among all citizens participated in the political struggle, the military proselytizing struggle, and the armed struggle against the enemy. For example, the people dug sharpened stake trenches and pits and planted mine fields in the base areas and the contested areas. When the enemy came the people struggled against them. One woman with a baby in her arms lay down in front of an enemy tank to hold up an enemy offensive column so that our troops could have time to deploy to fight the enemy. Sometimes the enemy forced attempted to force the people to guide them so that they could carry out sweeping operations but the people refused because there were sharpened stake trenches and pits everywhere. The enemy troops plunged ahead and fell into pits with sharpened bamboo stakes, set off hand grenade booby traps, and were attached by our disperserd local or main-force troops. Then those women struggled politically against the enemy. When the enemy were leaving the women ran into their houses to get hand grenades to throw at them. The people participated in both political struggle and armed struggle against the enemy. The workers in this city also both participated in political struggle to defend their right and participated in political struggle. Setting fire to U.S. vehicles was the responsibility of our sappers and commandos, but they had to relyon the masses. Once there was a series of hand grenade attacks against enemy troops. All of the grenades had been brought in by a woman peddler. Nguyen Van Troi was an electrician who secretly participated in the revolutionary forces and attacked McNamara. Thus if there had been no mass bases we could not have fought the enemy, and all citizens participated in both political struggle and armed struggle.

I think that political struggle, armed struggle, and military proselytizing, the three offensive prongs, have to proceed side-by-side in all three strategic areas. That is an outstanding characteristic of Vietnamese people's war. Our party committee echelons and the military comrades from the High Command of COSVN to the military regions were expert in military matters but were unable to do anything. Thus at that time all party committee members had military knowledge, which of course was not deep, but they were able to lead the fight against the enemy. They also knew how to combine the prongs in attacking the enemy. For example, the launching of campaigns on the outside afforded an opportunity for strengthening the political movement in the cities to coordinate with campaigns in the rural areas. On when the political movements in the cities, especially Saigon, became strong we launched military campaigns to coordinate with the political prong. That combination was very flexible, close, and skilled.

From that we can see that our Party had the policy of combining the political, armed, and military proselytizing prongs, the three offensive prongs, in all three strategic areas. We fought the enemy so that at one time or another, especially after Tet of 1968, the enemy's aggressive will would be shaken and they would have to sit down at the conference table with us. We also combined activities on the battlefield with diplomatic struggle. The reason why we could act and speak with such strength was the results we attained on the battlefield. When we were winning victories on the battlefields comrade Le Duc Tho sat in Paris "flexing muscles" with Kissinger and making him back down. When they used B-52's to attack us, before the struggle had been decided, we defeated their B-52 raids so they had to make concessions, end the bombing, and sign the Paris Agreement. That was very clear and very special.

We won victories, especially armed victories, because we had a great rear area in the North. We sent people and materiel, and via that rear area sent people, supplies, and weapons from the Soviet Union and the other socialist countries into the South. We had Uncle Ho, the General Secretary, the Political Bureau, and the Supreme Command of the movement in the South. Our skill lay in limiting the war to the south, while in the North the enemy could only wage a war of destruction by the U.S. Air Force. If we had not been able to limit the war, had the U.S. imperialists expanded the fighting to the North, that would have created many additional difficulties for us.

Those victories gradually led to the General Offensive and Uprising of the Spring of 1975. Before liberating Buon Ma Thuot we liberated Phuoc Long. That was also a special event. For the first time we liberated a whole province--Phuoc Long--and gained experience and created a basis on which to launch a surprise attack on Buon Ma Thuot and begin a lightening general offensive and uprising movement that concluded with the historic Ho Chi Minh Campaign.

In the Ho Chi Minh Campaign I noted the continuing manifestation of something often said by our Party: the military prong and mass uprisings by the people are also very important. Daily political struggle by the people is the basis on which armed struggle becomes stronger, and an increasingly strong armed prong creates a basis for stronger political struggle. But the ultimate solution is still achieved by means of a general offensive and uprising. but in wartime the mass uprising method is not the same as during the August Revolution. At that time the general uprising of the masses was carried out primarily by demonstrators shouldering primitive weapons and sharpened stakes inside and outside the cities, to liberate Saigon and the other cities. But now we were in a major war and we liberated Saigon by using tank columns and airplanes, so the masses could not demonstrate as they did during the August Revolution. In this city the masses in some places arose at the same time. In many subprecincts and neighborhoods inside and outside the city the masses, with their political and guerrilla forces, arose to take political power. In recapitulating the historic Ho Chi Minh Campaign, I think that we must reflect the very skilled, lightning-like military offensive prongs, while also reflecting the mass uprisings, for only that is in accord with the actual situation. That further demonstrates that our Party's policy was partial uprisings leading to a general offensive and uprising. All of our Party's policies were very creative.

Recently, the conclusion of the war in this city very correctly manifested the actual situation: attacking the enemy politically, militarily, and with military proselytizing in all three strategic areas. It manifested our Party's correct people's war line. At the conclusion it also manifested the Party's line of a general offensive and uprising to end the war. A major characteristic was that we liberated a city under the conditions of a major war but moved rapidly and efficiently and liberated a city that was entirely intact. That situation was due to many reasons. The puppet army had been defeated and had disintegrated, but we knew how to closely combine the armed, political, and military proselytizing prongs.

One day I was conversing with comrades Truong Chinh and Pham Van Dong and told them that a special feature was that when we were carrying out the Ho Chi Minh Campaign the bourgeoisie, especially the compradore bourgeoisie, knew that they had been defeated and thus wanted to commit sabotage, to dismantle and dispose of machinery parts or burn warehouses, etc. But the workers themselves, including those in places which had party chapters but in which all our party members had been arrested, because of the influence of the Party's leadership and because of workers whom the enemy had wanted to blacked the workers that we could not dye them red, we defended the factories, enterprises, warehouses, and raw materials. Then our cadres arrived to take over those installations. The workers discussed among themselves ways to restore production. And, especially, we liberated a city in such a manner that electricity was not interrupted for even an hour, water had not been cut off for even an hour, and only 12 hours after we liberated it the television station immediately began broadcasting our programs.

In the North, after the Geneva Agreement we entered Hanoi to take over management of the city. Here we liberated a city but liberated it intact. That was something very special, so I think that the recapitulation must clarify that matter. But first of all it must be said that the principal reason the principal reason was that our Party's line was very correct. The party organizations, the army the mass organizations and people correctly manifested the prongs of general offensive and uprising, combined with military proselytizing. The disintegration of the enemy army was also the result of military proselytizing, which we carried out over the course of many years.

Today, in a short period of time, I have expressed the foregoing opinions to the conference. My individual aspiration is that when you do your recapitulating you clearly manifest our Party's people's war line, for in reality it was implemented as I have described. Thus we must also recapitulate and enter deeply into the military prong. A lot of interesting things will be learned. Our three types of troops fought very flexibly. The other cadres here have already spoken to that point. But I recommend that we also recapitulate the political movement and military proselytizing in accordance with the Party line and the actual situation. Only thereby can we manifest Vietnam's people's war line, consisting of the military, political, and military proselytizing prongs, which fought the enemy in all three strategic areas, and ultimately concluded with the liberation of the enemy's "capital," i.e. this city, by means of a general offensive and uprising, and achieved the complete liberation of the South and the unification of the Fatherland.

5616
CSO: 4209/113

INTERNATIONAL RELATIONS, TRADE, AND AID

ARMY PAPER HAILS FRIENDSHIP TIES WITH GDR

BK140535 Hanoi Domestic Service in Vietnamese 1430 GMT 5 Dec 85

[Article carried in QUAN DOI NHAN DAN: "Strengthen Friendship and Comprehensive Cooperation Between Vietnam and the GDR"--date not given]

[Text] A GDR Party and government delegation led by Comrade Werner Felfe, Politburo member and secretary of the SED Central Committee, has paid an official friendship visit to our country at the invitation of the CPV Central Committee and the SRV Council of Ministers. This is an important event that contributes to constantly consolidating and further strengthening friendship and comprehensive cooperation between Vietnam and the GDR.

Our people are elated over and proud of the outstanding achievements recorded by the fraternal GDR people in building and defending their socialist homeland. In 1985, with the successful implementation of the 5-year 1981-85 plan, the socialist economy of the GDR has strengthened qualitatively. Many key industrial branches have continued to develop at a fast rate. The GDR's national income has increased by 4 percent over last year. The agricultural sector has reaped the biggest grain crops ever recorded in the nation's history. The GDR people have taken the first successful steps in carrying out the strategic tasks of shifting production to intensive development, paying attention to the factor of productivity and quality, perfecting the system for organizing and regulating production, renovating the planning apparatus, and, at the same time, ceaselessly expanding and modernizing the entire industrial sector.

The blueprint for building a developed socialist society, which was laid out at the 10th Party Congress, is being gradually perfected; and this is a vivid manifestation of the great capabilities and creativity of the GDR people. The GDR people are emulating in productive labor with the determination to score the highest productivity and quality in all areas in preparation for the 11th SED Congress which will be convened in April next year.

Pursuing a positive foreign policy of peace, the GDR has made great contributions to the struggle for peace and disarmament in Europe and the rest of the world. The GDR's prestige and position have been constantly enhanced in the international arena. The relations of friendship and militant solidarity between the two peoples of Vietnam and the GDR are inherently imbued with very fine transitions. Built on the firm basis of Marxism-Leninism and socialist internationalism, these relations were painstakingly fostered by the two respected and beloved leaders of our nations -- Wilhelm Pieck and Ho Chi Minh. The time-tested cooperation between the two peoples has become even closer; and it has brought about great results in the service of national construction and defense in each country, thereby making an important contribution to increasing the strength of the socialist community and to the world peoples' common struggle for peace, national independence, democracy, and social progress.

The official friendship visit to Vietnam by the fraternal GDR party and state delegation is taking place at a time when the peoples of our two countries are celebrating the 6th anniversary of the signing of the Vietnam-GDR treaty of friendship and cooperation. In the past 6 years, in continuation of the traditions of the fine existing relations, all the major clauses of the Vietnam-GDR treaty of friendship and cooperation have been vividly translated into reality in the society of each country, creating great possibilities for future development. The two parties and states of Vietnam and the GDR have, over the years, always paid attention to coordinating their actions and supporting each other in the international arena, and striven to foster bilateral cooperation in the spirit of the treaty. This has been reflected very clearly in the great results of the official friendship visits to the GDR this year by a delegation of our National Assembly led by Comrade Nguyen Huu Tho, chairman of the National Assembly, and a military delegation led by Senior General Van Tien Dung, member of the Political Bureau and minister of national defense.

Vietnam and the GDR have also paid special attention to strengthening and broadening cooperation and mutual assistance in the economic, cultural, and scientific and technological fields. Our people always remember the valuable material and spiritual support given by the fraternal party, government, and people of the GDR in support of our former cause of resistance as well as of our current endeavor to build and defend the fatherland. In our country at present, there are many economic, cultural, and public health establishments operating with aid from the GDR. For this year, the two countries have already signed an agreement on GDR loans to Vietnam under which the GDR will provide Vietnam with equipment for factories and enterprises, medicine, school supplies, and many other goods.

This official friendship visit to Vietnam by the GDR party and state delegation will certainly achieve fine results and greatly contribute to enhancing and broadening the relations of friendship and all-round cooperation between two fraternal socialist countries.

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CSO: 4200/396

DEFENSE MINISTRY TEAM INSPECTS 9TH MILITARY REGION

BK150605 Hanoi Domestic Service in Vietnamese 1400 GMT 11 Dec 85

[Text] Recently, an emulation inspection team of the Ministry of National Defense led by Lietuenant General Doan Tue, deputy chief of the general staff and vice chairman of the Defense Ministry's Emulation Board, made an inspection tour of the 9th Military Region.

In the first 9 months of 1985, all units in the military region stepped up the determined-to-win emulation drive to achieve the five objectives of the great movement and concentrated efforts on carrying out two key tasks and overcoming three weaknesses. The victory of the dry season campaign early this year, together with efforts to step up political education and ideological leadership in every unit, brought about a vigorous change in determination and responsibility. Party membership was expanded on a regular basis. Party organizations correctly evaluated and classified party members. Progress was made in the maintenance and use of weapons and technical equipment. Efforts were made to achieve realistic results in organizing the material, spiritual, and cultural life of members of the military region's armed forces. Increasing production and improving living conditions became a widespread movement that contributed to stabilizing livelihood.

The inspection team also highly appreciated the military region's big success in establishing close relations with the party and people's committees of the eight Mekong River Delta provinces to create favorable conditions for provincial and district military organs to carry out local military tasks and to promote the establishment of sisterhood between the rear and front line. The movement gave rise to a number of progressive models such as S-15, S-4, S-22, and N-06 groups; the 26th Antiaircraft Unit; K-34 Depot; the Vi Thanh Cement Plant; Ben Tre Province; and some districts and villages.

The inspection team stressed: With its vast operational area, its heavy duties both on the front line and in the rear, and its distance from the central command, the 9th Military Region is faced with numerous difficulties and complexities, but it has continuously upheld the spirit of self-reliance, overcome all difficulties and hardship, and fulfilled its task satisfactorily.

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CSO: 4200/396

BRIEFS

DELEGATION VISITS CUBA--At the invitation of the Cuban Ministry of Light Industry, a delegation of our country's Union of Handicraft Cooperatives headed by Comrade (Nguyen Sinh), deputy director of the union, paid a visit to Cuba from 28 November to 9 December. While in Cuba, the delegation held working sessions with a delegation of the Cuban Ministry of Light Industry, led by Vice Minister Rolando Fuentes. The two sides informed each other of the situation in their countries, exchanged experiences, and reviewed the cooperation between the countries in the field of small industry and handicraft development since 1981. The two sides signed the minutes for cooperation for the 1986-1990 period Comrade Roberto Ogando, Cuban minister of light industry, received and held a working session with the Vietnamese delegation. [Text] [Hanoi Domestic Service in Vietnamese 2300 GMT 12 Dec 85 BK] 12624

FRIENDSHIP ORDER AWARDED--On the occasion of the 30th anniversary of the GDR's training of Vietnamese scientific and technical cadres, 11 December, our country's ambassador to the GDR, Tran Hoai Nam, empowered by our country's Council of Ministers, conferred friendship meals and orders on the Friendrich-Schiller University's collective in Jena, the (Weimar) Architecture and Construction College, the Central Institute for College Education Research, and five PhD professors, who have made outstanding achievements in helping train our country's scientific and technical cadres. On the same occasion, Ambassador Tran Hoai Nam, on behalf of our party and state, expressed his profound gratitude to the GDR Party, state, and people, for their valuable and efficient assistance to our people, past and present. [Text] [Hanoi Domestic Service in Vietnamese 1100 GMT 12 Dec 85 OW] 12624

DELEGATION RETURNS FROM ANGOLA--After attending the Second Congress of the Opular Movement for the Liberation of Angola and the celebration of the 10th independence anniversary of the People's Republic of Angola, the CPV delegation led by Comrade Le Quang Dao, secretary of the party Central Committee, returned to Hanoi today, 14 December. On hand to welcome the delegation were Hoang Tung, member of the party Central Committee; Vu Quang, member of the party Central Committee and head of the party Central Committee's Foreign Relations Department; Hoang Bich Son, vice foreign minister; and other comrades. [Text] [Hanoi Domestic Service in Vietnamese 1430 GMT 14 Dec 85 BK] 12624

CSO: 4200/396

PARTY ACTIVITIES AND GOVERNMENT

HANOI PEOPLE'S COUNCIL ISSUES RESOLUTIONS

Hanoi HANOI MOI in Vietnamese 9 Oct 85 pp 1, 4

[Resolutions of the Hanoi Municipal People's Council, Ninth Session of Third Term, 4 and 5 October 1985]

[Text] On Improving Wages, Adjusting Prices, and Strengthening Market Management in the Municipality of Hanoi

The People's Council unanimously agrees with the decree of the Council of Ministers and the resolution of the 11th Plenum of the Municipal Party Committee on improving wages, adjusting prices, and strengthening market management. Those resolutions were the initial steps in the process of eliminating the centralized, bureaucratic, subsidizing management mechanism, changing over entirely to economic accounting and socialist commerce, making planning the central concern, and developing the economy and stabilizing the people's living conditions.

The People's Council appeals for the cadres and people of the municipality to study the stands and policies of the Party and government, manifest a spirit of initiative and sense of responsibility, and be determined to strictly implement those resolutions in order to win a solid victory.

1. Immediately implement the changing over to the new salary beginning on 1 September 1985, in order to move toward implementing the principle of labor according to labor. It is necessary to implement rapidly, efficiently, and correctly the policies in the administrative-professional sphere as well as in the production-commercial sphere. In implementing piecework salaries according to the new salary system in the production-commercial sector the enterprise directors are responsible for reviewing the norms, and the upper management echelons are responsible for overseeing and examining them. In setting wages for the enterprise management cadres at a time before the enterprises have been categorized the present wages must temporarily serve as the bases. In setting the salaries of retired or disabled cadres, workers, and civil servants, their main salaries prior to their termination will temporarily serve as the basis. Social welfare supplements will be paid to families of cadres, workers, and civil servants with difficult circumstances in accordance with the stipulations of the Council of Ministers.

2. Strictly implement the decisions regarding the adjustment of material and commodity prices. Inventory materials and goods the prices of which are to be adjusted rapidly, efficiently, and accurately in order to firmly grasp materials and commodities and avoid losses.

The enterprises and commercial installations must, on the basis of the system of adjusted prices and new wages, set enterprise wholesale prices, while at the same time improving management, reorganizing production, reorganizing labor, taking positive steps to increase the utilization capacity of equipment, rapidly making production and commerce efficient, and reducing production and circulation expenses.

Due to the price changes and changes in the sources of income, the People's Committee is assigned responsibility for balancing the budgets of the municipality and the wards, districts, and cities to ensure that all activities of the municipality are normalized and develop.

3. Strengthen market management in order to maintain the new prices and price levels, expand circulation to develop socialist commerce, restrict private commerce, strictly punish the speculators, blackmarketers, and producers of ersatz goods, and prevent negative phenomena in the materials and goods distribution system.

Expanding socialist commerce in all three spheres: commerce, catering, and services. State and cooperative commerce must advance to controlling goods and money, expand and adjust the commercial and service network, refurbish the stores and shops, and improve or build a number of markets in order to master the social market.

Restricting the free market. Forbidding commerce in the various kinds of materials and goods under the unified management of the state. Retired or disabled cadres who are engaged in commerce are assisted so that they can change over to production or service. Those authorized to continue to do business and must do business in accordance with the registered papers. The small merchants must be placed in the markets and the designated areas on the streets, and be reorganized according to trades. All organizations and individuals authorized to engage in commerce must post the new prices and sell at the posted prices. Violations regarding the posting of prices, not selling in accordance with the posted prices, and inaccurate weighing will be dealt with strictly. A broad mass movement will be launched to struggle to maintain prices.

4. Promote industrial, small industry, and agricultural production and capital construction, and regard that as the foremost mission in the fourth quarter to meet the requirements posed by the improvement of wages and the adjustment of prices, in order to stabilize prices, money, and living conditions.

The improvement of wages, the adjustment of prices, and the transformation of market management are important, complicated tasks. The People's Council requests the people's committees at all levels, the sectors, the bureaus, and the mass organizations in the municipality to exercise tight, concentrated guidance, carry out those tasks strictly and fully, and organize a deep an broad mass movement among the people.

Hanoi, 5 October 1985
Municipal People's Council
Ninth Session

On Some Systems To Encourage the Implementation of Family Planning

--On the basis of Article 9, Chapter II, of the law organizing people's councils at all levels, which stipulates stands and measures regarding population and the distribution of labor and population in the localities.

--Implementing Directive 25-HDBT, dated 12 August 191, of the Council of Ministers and Directive 10/CT-TU, dated 27 January 1984 of the Standing Committee of the Municipal Party Committee, in order to promote the family planning campaign, reduce the rate of natural population increase in the municipality so that it can be appropriate to the municipality's economic-social development mission, gradually improve the welfare of mothers and children, and bring about happiness for all families and society as a whole.

Municipal People's Council Decision

Part I

Common Goals

Article 1: Couples should have only one or two children 5 years apart, and women should not give birth before age 22.

All male and female citizens (all wives of child-bearing age) must register for planned parenthood with the Family Planning Campaign Guidance Committee of the subward or village, and the organ, enterprise, or cooperative.

Article 2: Results in attaining the goals of Article 1 must be considered as an important basis for judging emulation as a norm for rewarding individuals and units.

Part II

With Regard to Individuals

Article 3: a) Women who give birth to their first child after the age of 25 (in the case of peasants, after age 23) are awarded 100 dong.

b) Men and women who have their second child 60 months after the first child are awarded 100 dong each. If, after 60 months, they have not given birth to their second child, each will awarded 100 dong a year until the wife is 40.

c) Men or women who undergo sterilization will be awarded 200 dong if they already have two children, and will receive 7 days leave at full pay, if they are men, or 30 days leave at full pay, if they are women.

Article 4: a) Couples who have a child who is their third or more are not eligible for emulation awards at the end of that year. When giving birth they must pay a higher-than-normal hospital fee set by the Municipal People's Council.

b) If men or women in training violate one of the stipulations of Article 1 their training period will be extended by a year. If they commit another violation they will not be officially exployed.

c) The allocation of housing (or land for building housing) is calculated on the basis of each family having two children.

Article 5: a) The stipulations in articles 3 and 4 are applicable to workers, civil servants, troops, members of the armed forces temporarily stationed in Hanoi.

b) The collective economic sector will carry out the above stipulations by means of money or in-kind goods of equivalent value.

c) Women not in those two categories who give birth to three or more children must in addition to paying higher hospital fees pay a birth certificate fee determined by the Municipal People's Committee.

Part III

With Regard to Units

Article 6: a) Precincts with a population increase rate of 1.3 percent, and districts with a rate of 1.5 percent, will be awarded a flag by the Municipal People's Council and 5,000 dong.

b) Subwards and villages (including workers and civil servants on the local population registers) which have rates of 1.3 percent (subwards) or 1.5 percent (villages), are awarded by the Municipal People's Council and 1,000 dong.

Precincts, districts, subwards, and villages which reduce their population growth rates by an additional .1 percent will receive one-half ofthe above-mentioned sum.

c) Organs and enterprises which correctly implement Article 1 will be awarded 200 to 1,000 dong, depending on the number of women of child-bearing age.

Article 7: If units with bonus funds violate Article 1 they must transfer part of the bonus fund to the planned parenthood fund of the wards, districts, or cities.

a) If 1 percent of the total number of people giving birth have three or more children, between .1 and .5 percent of the bonus fund must be deducted.

b) If 5 percent of the total number of people giving birth have three or more children, between .1 and .5 percent of the bonus fund must be deducted.

c) If 5 percent of the people give birth before the stipulated time interval, between .1 and .5 of the bonus fund must be deducted.

Article 8: a) Women are guaranteed the right of birth control and sterilization. The public health units must regard that as being as important as medical examination and treatment, and must strengthen their technical measures and facilities. Public health units which apply birth control and sterilization techniques surpass the plan norm assigned by the Public Health Service by 20 percent will receive an award of 200 to 500 dong. If they attain an additional 10 percent they will be awarded 50 to 100 dong.

b) Groups and individuals outstandingly fulfilling their responsibility of guiding and propagandizing the campaign and which specialize in planned parenthood techniques will be awarded between 50 and 200 dong.

Part IV

Organizing Implementation

Article 9: a) The governmental administrations and the mass organizations--the trade union, youth, and women's organizations, the Collective Peasants' Association, the Handicraft Cooperative Federation, and the municipal, ward, district, and city Front Committees--are responsible for propagandizing and proselytizing the population policy, especially for educating to overcome the old attitudes of treasuring males and dispising females, regarding large families as being as source of happiness, etc.

b) Bonuses for individuals and units are obtained from the budget.

c) It is necessary to be concerned with organizing living conditions of childless people who reach retirement age, in accordance with the state and collective social policies.

Article 10: a) All stipulations contrary to these stipulations are no longer valid.

b) All citizens and central and local economic-social units in the Hanoi area are authorized to, and obliged to, implement this resolution.

c) These regulations will be in effect from the day it is signed. The bonus payments are calculated from 1 January 1986.

d) On the basis of these stipulations, the Municipal People's committee is assigned responsibility for drafting a plan to provide detailed guidance for their implementation.

Hanoi, 5 October 1985
Hanoi Municipal People's Council
Ninth Session

5616
CSO: 4209/110

ECONOMIC PLANNING, TRADE, AND FINANCE

HANOI PARTY UNIT LEADS REFORM OF MARKET MECHANISM

Hanoi NHAN DAN in Vietnamese 9 Oct 85 pp 3, 4

[Article by Tran Tan, an Alternate Member of the Party Central Committee and Deputy Secretary of the Hanoi Municipal Party Committee: "Hanoi Municipal Party Committee Leads All-Round Renovation of Management Mechanism Resolutely and Urgently, With Solid Progress"]

[Text] On the occasion of the 31st anniversary of the liberation of Hanoi (10 October 1954 to 10 October 1985), the newspaper NHAN DAN respectfully introduces the following article on Hanoi's implementation of Resolution 8.

Resolution 8 of the Party Central Committee eliminates the centralized bureaucratic-subsidizing management and shifts over to economic accounting and socialist commerce based on planning, in which prices, salaries, and money constitute the breakthrough links and profoundly affect all economic-social activities.

Some Opinions Based on the Actual Situation

Implementing Resolution 8 of the Party Central Committee, the municipality of Hanoi received permission from the Secretariat to the standing committee of the Council of Ministers to change in-kind salary payments to money-only salaries, while at the same time implementing the system of uniform retail prices, beginning on a trial basis in Me Linh District on 1 July, to gain experience in order to expand the inclusion of price supplements in salaries throughout the municipality at the beginning of August 1985.

When that policy was first implemented there was some confusion and worry about the difficulties and preparations of Hanoi, especially with regard to goods and money. The actual situation affirmed that the payment of salaries entirely in money was a change in the method of paying salaries, but it was a very important practice phase that brought about real results and created conditions for the all-round implementation of Resolution 8. During the past 2 months, all preparatory tasks have been urgent and tense, and have in fact proven the correctness of selecting a trial location (Me Linh District), the time and sphere of implementation, and the number of goods (10) for which price supplements were to be made. Experience was promptly gained in controlling goods and money. The important matter was that the paying of salaries in money and uniform retail prices have exposed rather fully the irrationality and negative consequences of the bureaucratic, subsidizing mechanism, especially in distribution and circulation. At the same time, it creates capabilities and conditions for socialist commerce to control goods and money and do a better job of managing the market. The precincts and districts have discovered hundreds of thousands of people who received incorrect grain standards (amounting to an excess of 400 tons of rice a month), and more than 200,000 who received incorrect food products standards, amounting to 2 million dong (old money) a month. Setting specific price supplementation norms for each type of goods is appropriate to the market situation in the municipality. Because it closely monitored the situation, the city has promptly dealt with a number of recently arisen problems, such as by adopting a number of policies regarding the various categories because of the changes in the retail prices of the supplied goods relevant to the allocation of grain or salaries. Those categories include retired cadres, dependents, key subward and village cadres, handicraft workers with economic relations with the state, the state purchase prices of vegetables and fish, the system of signing contracts with workers, supplementation for people working the third shift or unhealthy jobs, people benefitting from the disabled veterans and social policies. Due to flexible, dynamic guidance the municipality, the precincts, and districts, have done a better job of organizing forces in all regards. Furthermore, because of the successful winter-spring harvest in the north, it has been possible to overcome the greatest problems that had long caused much worry for the municipality of Hanoi--money and goods, especially grain and cooking fuel. The sectors at the central level, such as the ministries of Home Trade, Foreign Trade, Grain, Maritime Products, Light Industry, Agriculture, Mines and Coal, Banking, Finance, etc., positively assisted the municipality of Hanoi, and the local sectors went all-out to control sources of goods and develop sources of goods.

Therefore, there were sufficient goods to sell on a regular basis during the month, with some left over as a reserve. Under the specific conditions of the present time, the limited use of promissory notes is necessary. Therefore, the municipality overcame difficulties with regard to money by obtaining a very large sum (nearly 1 billion dong in the old currency), and by 31 August had recalled to the bank more than 90 percent of those promissory notes. The tasks of managing the market and transforming and reorganizing private merchants were more strongly promoted, which enabled state commerce to gain control and master the market with regard to some essential goods. With the resolute, close guidance of the Secretariat and Standing Committee of the Council of Ministers, the Municipal Party Committee and the Municipal People's Committee promptly and responsively a number of new problems that arose after the implementation of Resolution 8 began. The lesson that was learned was that it there must be close, all-round cooperation between the central organs and the municipality; between such local sectors as the commercial, financial, banking, grain, and public security, sectors and the sectors in the internal affairs bloc and the mass associations; and among the subwards, wards, villages, and districts, by means of eductional, administrative, organizational, and economic measures. Resolution 8 created conditions for the distribution-circulation sectors to truly begin to enter into commercial accounting and take into consideration quality and effectiveness. Therefore, prices were more stable, especially during the 2 months during which in-kind salary payments were changed over to payments entirely in money. In the course of the actual situation it became increasingly evident that the implementation of Resolution 8 was an extremely difficult, complicated process and that, especially, the tendency toward subsidizing was still strong and our economic management is still beset with many weaknesses and deficiencies. In general, although Hanoi has larger quantities of goods they are insufficient to meet the new consumption requirements and structure. With the changeover to the new mechanism, negative phenomena in the commercial sector are manifested in different forms: slipping first-class and high-quality goods to private merchants, weighing and measuring dishonestly, and selling at other than the posted prices. It is noteworthy that many key cadres in the commercial stores have not yet firmly grasped commercial viewpoints tied in closely with service viewpoints, or understood that changing over to the new mechanism it is also necessary to struggle fiercely against negative phenomena within and in society at large, be extremely vigilant, and promptly smash the enemy's multifaceted sabotage activities.

During the past 9 months the production of consumer goods in the municipality increased by 16 percent over the same period in 1984, but it has not yet met the new requirements. The municipality is encountering many difficulties, such as shortages of electricity, materials, raw materials, etc., but the important matter is that it has been slow to amend the old mechanism. Especially, the right of the directors and enterprises to take the initiative has been restricted, which has considerably impeded the implementation of Resolution 8 at the basic level.

Some Requirements That Have Been Posed

When studying the resolution of the Political Bureau on approving the price and salary plans and the decisions of the decisions of the Council of Ministers, the Municipal Party conference agreed unanimously with the Central Committee policy of regarding the implementation of the resolution of the Eighth Plenum of the Party Central Committee as an "all-round, complete, resolute, urgent struggle process with solid steps forward."

The Municipal Party Committee unanimously approved a unified action program to ensure that implementation of the Political Bureau resolution in the municipality is harmonious and in step, and attains real results. The Municipal Party Committee guided the party organizations in concentrating their leadership on the implementation of the new salary system, from continuing to explainthe resolution of the Party Central Committee and disseminate and implement the specific policies regarding salaries and prices to placing people in salary groups and grades, ensuring accuracy and fairness, and creating enthusiasm for production labor and other work. The municipality adopted the policy of recalculating production costs on the basis of production expenses accounted for in accordance with the new prices, on the basis of which to review and draft rational norms (labor and materials) and eliminate irrational, illegal expenses, in order to reflect accurately the effectiveness ofproduction and commerce. On the basis of the new price-salary-money policy, it has reorganized the production system, and compared it with the missions set forth for industry, small industry-handicrafts, agriculture, capital construction, and the other sectors until the end of

1985, in order to bring about a clear transformation in each sector in fulfilling the annual state plan and preparing all conditions for drafting and implementing the 1986 plan.

The new prices and salaries must serve to stimulate and encourage the enterprises and factories to increase the utilization of equipment to at least 60 or 70 percent. the Municipal Planning Commission and the bases are responsible for carefully calculating and meeting requirements regarding materials, equipment, energy, etc., so that the installations can meet their norms. Enterprises which operate at less than 50 percent of equipment capacity must have specific plans to increase the rate to more than 50 percent during the next 3 months. If not, they will change sectors or trades, or change over to fulfilling construction or service missions,and enterprises will not be allowed to operate at a loss over an extended period.

The small industry-handicrafts cooperatives must recalculate salaries, resolve problems regarding capital and taxes, and create conditions with regard to materials and energy in order to strongly develop the capabilities of the cooperatives. The municipality is continuing to expand the forms of holding markets and having the stores make deposits to create conditions for the small industry- handicrafts production installations, including the family economy installations, to develop.

All enterprises and cooperatives must have plans to develop new products that are appropriate to the new requirements and purchasing power, on the basis of which to draft plans to reorganize plans. At the same time, there must be plans regarding materials and equipment, and especially plans to apply technical advances and enterprise and cooperative financial plans.

A basic requirement in the process of implementing Resolution 8, which is at the same time intended to further the development of production, is expanding socialist commerce and doing a good job of managing the market to that the state can control goods and money, expand the commercial and service network, struggle to stabilize prices, maintain real wages, and stabilize the living conditions of cadres, workers, laboring people and the armed forces.

The goal of market management is to resolutely maintain prices at the new level. State commerce must advance to mastering the market, restrict private merchants, expand the circulation of goods, expand the circulation of goods, strictly punish speculators, blackmarketers, and people who upset the market, stop by all means negative phenomena within the distribution-circulation sectors, and closely combine transformation and market management.

First of all, state commerce and the marketing cooperatives must firmly grasp the viewpoint of commerce closely combined with service, rapidly advance to controlling goods and money, expand and adjust the commercial and service networks, including investment to improve or build a number of commercial centers, stores, and shops, and improve the appearance of the retail and service locations.

The restriction of the free market is tied in closely with the developmental rate of state commerce, controlling the social market, and advancing to reducing the number of sales clerks, reducing the types of goods sold, and reducing the incomes and profits of private merchants. Unauthorized people must be forbidden to do business. Private merchants must deal only in the declared products. The posting of prices and selling at the posted prices (both retail and service prices) must be strictly observed. In order to carry out those tasks well, we mobilized the necessary number of good-quality cadres from the organs and enterprises and supplemented them professionally, in order to manage prices, the markets, and the jointly operated organizations and reorganized the people who were authorized to do business.

Market management is the responsibility of the entire party, the entire population, the echelons, and the sectors, especially the functional sectors, but it was necessary to give rise to a broad mass movement, including consumers, to struggle to manage the market and maintain prices.

The important matter is that it was necessary to strictly punish speculators, blackmarketers, and producers of ersatz goods. The organs in the internal affairs bloc participated positively in the struggle to manage the market in accordance with their functions, and promptly tried violators.

The experiences during the past several years have clearly shown that guidance of market management must be carried out at the grassroots, in the production installations, especially in the subwards and villages, by means of comprehensive measures. The village and subward party committees have led the masses in refusing to sell goods coming under the unified management of the state to private merchants, and campaigned for the production teams and the family economy bases to sell goods to the state. All subwards and villages have organized market management forces sufficiently strong to continually inspect and oversee the posting of prices, selling at the posted prices, and the attainment of market management.

Some Problems Regarding the Organization of Implmentation

Having gained experience during the past several months in implementing Resolution 8, in actual organization we have applied all ideological and organizational measures.

First of all, the party organizations paid attention to the ideological work and enabled everyone to fully understand the basic viewpoints of Resolution 8, combined with the timely explaining of the stands and policies regarding prices, salaries, money, and market management. The activities of party chapters and the mass organizations must enable everyone to understand clearly that the implementation of Resolution 8 is a process of all-round, complete, resolute, urgent struggle, with solid steps forward, but that we must not be conservative, hesitant, simplistic, or hasty. We held economic study classes for cadres from the municipal level down to the basic level and the production and commercial enterprises, in order to raise ideological awareness, especially with regard to changing economic thinking, develop the spirit of initiative and sense of responsibility of the sectors and echelons in order to lead and encourage the masses to do a good job of implementing the party resolution. At the same time , in order to heighten consciousness of organization and discipline in implementing the resolution, especially the enforcement of discipline regarding prices, salaries, finances, and money, and overcome all manifestations of liberalism, arbitrariness, and lack of principle.

A strong mass movement was launched to implement Resolution 8. The mass organizations are responsible for educating the masses and encouraging them to exercise their collective mastership right in production, commerce, and service, supervised the activities of the organs and enterprises, created a seething revolutionary movement, and created motive force to persuade all categories of people to implement Resolution 8, especially in production, in order to increase productivity, quality, and effectiveness, while at the same time participating in the struggle to manage the market, maintain prices, and oppose speculation and blackmarketing.

It is necessary to strengthen the Party's control and coordinate with the inspection work of the state. The party committee members and party committee echelons at all levels must do a good job of inspecting the implementation of the resolution at all echelons and in the sectors and bases. The party committees must have specific plans to consolidate and strengthen the effectiveness of their activities, and must closely inspect the organization of the resolution's implementation. They must make good use of the trade union, youth, and women's organizations to participate in exercising supervision and combining opposition to negativism in society. It is necessary to promptly discover good models, recommed measures to correct distortions in the process of implementing the resolution, and dispose of serious violations of the policies of the party and stateregarding prices, salaries, and money.

From the actual situation of the trial implementation in Me Linh District in Hanoi, and during the past several months, we have a basis on which to affirm that the cadres of the municipality of Hanoi are capable of assimilating the new management mechanism and are capable of changing over to economic accounting and socialist commerce. The important matter is to authorize and enable the basic level to take the initiative in production and commerce. On the basis of the cadre standards and the requirement of renovating the management mechanism, the municipality is examining, inspecting, and evaluating cadres, especially the leadership cadres of the economic organs and the management cadres of the production and commercial units. Matters of foremost importance are immediately bolstering the management cadres of the sectors and bases, heightening the leadership role and combativeness of the basic party organizations and the exemplary vanguard role of party members in drafting and implementing plans to renovate the management mechanism. The quality of cadres and party members must be manifested in the struggle to eliminate the centralized, bureaucratic, subsidizing mechanism, oppose conservatism and sluggishness, create and perfect a new management mechanism, and overcome the phenomena of liberalism, partialism, and partialism in all units. Cadres who in the course of the actual implementation of the Party resolution still lack a sense of responsibility and are incapable of fulfilling the responsibility assigned them must be promptly reassigned.

In drafting plans to take the initiative in training management cadres for the municipality, including professional financial, statistical, price, labor, and salary cadres, the vocational education section and the managing bureaus cannot rely solely on the students who graduate annually from the colleges and are assigned to the municipality. On the basis of those training and supplementation plans there must be a network of municipal schools and classes in order to do a good job of fulfilling the training plans.

We emphasize the completion of a division of labor and decentralization to the wards, districts, subwards, and basic units in order to bring into play their right to take the initiative in production and commerce, and bring into play the right of financial autonomy and strengthen the sense of responsibility of the echelons, sectors, and bases in the spirit of the resolution of the Party Central Committee and the Political Bureau. The party committee initiative in redefining their functions, missions, and work methods, and on that basis rectify and reorganize production and commerce. Tasks that can be carried out immediately are eliminating the superfluous elements and transferring unnecessary people in the administrative apparatus and in production and commerce. All-out attention must be paid to supplementing, training, and making good use of, cadres, but bad, degenerate elements and people who deliberately violate the lines and policies of the Party must be resolutely expelled from the Party and state organs and mass organizations.

The departments of the Party and the mass organizations cooperate closely with the governmental network in organizing the rapid collecting of accurate information to help the party committee echelons closely monitor the situation of the sectors and echelons, promptly set forth appropriate policies and measures, correct distortions, and further the implementation of the resolution at the basic level.

An experience that must be developed is creating close cooperation between the municipality and the ministries and central organs, and alliances with the other provinces and municipalities, and in obtaining the continuous guidance of the Secretariat and the Standing Committee of the Council of Ministers, in order to promptly resolve new problems which arise in the process of implementing Resolution 8.

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ECONOMIC PLANNING, TRADE, AND FINANCE

STORE MANAGER RELATES PROBLEMS CAUSED BY NEW MANAGEMENT SYSTEM

Hanoi NHAN DAN in Vietnamese 29 Oct 85 p 2

[Article: "The Opinions of the Manager of the Number 5 Nam Bo Street General Merchandise Store: Four Problems That Must Be Resolved in Order To Do Business Better"]

[Text] The resolution of the 8th Party Plenum is bringing the operations of state-operated commerce under the new management system. This important economic sector has made initial advances but is still encountering more than a few difficulties and obstacles. NHAN DAN correspondents met with a number of store managers to learn what their experience has been and hear the concerns of the persons who serve as the housewives of society. Below are the opinions of Tran Thi Thu, the manager of the Number 5 Nam Bo Street General Merchandise Store in Hanoi.

Since the adoption of the resolution of the 6th Plenum of the 5th Party Central Committee, the persons working in commerce have established economic ties and traded goods to open diverse product sources and have, on this basis, organized the distribution network better, and sales revenues have also risen rapidly. We welcome even more the recent implementation of the resolution of the 8th Party Plenum on prices, wages and money, on dismantling bureaucratic centralism and subsidization and shifting entirely to economic accounting and socialist business practices because the new management system will create solid conditions for business to develop in the direction of more actively supporting production and the everyday lives of the people. Our store quickly restructured its labor force and opened additional mobile sales counters and counters that sell products between shifts. The personnel in the ration coupons and stamps sales department were transferred to the packaging department, the security unit and the product display department. At present, our store does business in 2,000 products, more than 130 of which are products on consignment from producers. Recently, however, we have encountered difficulties in both finding and selling goods and business revenues have declined. We realize that implementing the new management system will require a process and that the persons who work in commerce must quickly change their thinking and their method of doing business to suit the new requirements. While we are anxious to implement the new management system, "if you can't buy a product, you can't sell it" is the situation in which we find ourselves. Why is this?

First, the corporations on the central level have been delivering goods to us in very small quantities and only supplying us with whatever goods they have on hand. They do not inform us in advance of the quantity of goods we will be receiving and this makes it impossible for the store to effectively plan the receiving and sale of goods. As regards the goods we obtain through economic ties and joint businesses, the difficulty we are experiencing is that while transportation charges have risen, they have not been offset by the new discount (even though it is 1.5 times higher than the old discount). The discount has been increased by a small amount but transportation charges have risen more than 10-fold. This has made it very difficult to show a profit. Consequently, there are goods for which we have signed contracts with provinces and municipalities in the South that we hesitate, that we do not dare to go pick up.

Secondly, a specific price should soon be set for each of the products governed by directed prices and these prices should not be changed many times within a short period. There must be a uniform price for each product for all stores within the city. In this way, prices will be more stable and we will avoid the problem of goods of the same quality being priced differently.

Thirdly, there is the problem of the cash needed to buy goods. At present, because of the adoption of the one price system, we need much cash to buy merchandise. Both collective and private production units require payment in cash so that they have money to buy supplies and materials for reproduction. Some stores request that 30 percent of the money needed to buy goods be allocated in cash, but they do not receive a full 30 percent. Completing the paper work involved in obtaining a loan from the bank requires going through many different echelons. Previously, we only had to fill out a form for the bank telling them how much money we needed. Now, we must go through the corporation and then through the bank and wait, as a result of which we sometimes miss an opportunity to buy goods. Recently, one place sold to the store a large quantity of goods, all of which we sold before we were able to borrow the money needed to make payment. Conversely, we have goods in our storehouse that cannot be sold because they have not yet been priced. We have been waiting for the prices on some goods for as much as 3 months.

Fourthly, we have merchandise but cannot sell it to consumers. Why is this? Under the new management system, anyone who has the money can buy the goods we sell at our counters. But this is not what is happening. Because of the present imbalance between supply and demand, products put on sale are immediately bought up by black marketers. Each day, persons who buy to resell are lined up in front of the store's counters to make their purchases. Many of the goods on sale never reach the consumers who need them. This is a problem that the store cannot resolve on its own. We will need the assistance of market management forces. When goods make their way into the hands of persons who buy to resell, it is difficult to avoid the problem of some dishonest personnel funneling goods to the outside and making money on the difference in prices charged. In view of this situation, we will try in the immediate future to put a number of essential goods on sale at agencies and enterprises.

The store hopes to soon be given prices and to stabilize its price scale so that the production and circulation of goods can be carried out on a more normal basis.

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ECONOMIC PLANNING, TRADE, AND FINANCE

END OF SUBSIDIZATION BRINGS DECLINE IN PORK SALES

Hanoi NHAN DAN in Vietnamese 29 Oct 85 p 2

[Article: "Quang Ninh Province: Not Allowing Hogs To Remain Backlogged in Pens"]

[Text] Recently, a phenomenon deserving of attention occurred on the Quang Ninh Market: a decline in the marketing of pork. Previously, the province needed about 5,000 tons of pork each year, 60 percent of which was provided by the province itself through a policy that provided appropriate incentive for raising sows and producing pork within coal mining areas. However, since the dismantling of subsidization based on ration stamps and coupons, many consumers, having calculated how their money can best be spent, have adjusted their diets and do not need to buy pork. Quang Ninh's hog herd numbers as many as 125,000 hogs, with an average market weight of 70 kilograms. The backlog of hogs has not only occurred in the agricultural districts of Dong Trieu, Yen Hung, Quang Ha and Hai Ninh and the highlands along the border, but even in such densely populated cities as Uong Bi, Hon Gai and Cam Pha. Many families have hogs weighing more than 1 quintal that they cannot sell.

Quang Ninh has correctly determined the causes of this situation and sought ways to resolve the problem. The province has adopted the policy of taking a flexible approach, that is, of not centralizing the procurement of pork and allowing marketing cooperatives, even those in a number of different areas, to enter into joint businesses between state-operated commerce and collective service teams, even skilled private individuals, to make procurements, slaughter hogs and sell pork together at stipulated prices. Along with opening procurement sources, Quang Ninh has expanded its sales network in order to provide a stable supply of pork to enterprises and worksites, especially to the mines.

The measures described above have helped Quang Ninh gradually eliminate the backlog of unmarketable hogs in pens. To maintain hog production, the province has instructed agricultural cooperatives to invest from 150 to 200 kilograms of paddy per sow and has allocated from its supply of grain about 300 tons to maintain the hog herds of the cities.

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EIGHTH PLENUM RESOLUTION LEADS TO SLOWDOWN IN MARKETING OF HOGS

Hanoi NHAN DAN in Vietnamese 29 Oct 85 p 2

[Article by The Nghia: "A Story About Hogs in Tho Xuan: Why Are Farmers Unable To Sell Their Hogs?"]

[Text] This story about hogs begins in Tho Hai Village. When we first heard about the problem, we thought that the hogs would become sick, become emaciated and die. Because fewer and fewer small hogs have been available, the commerce sector has not been making procurements. All crossbred commercial hogs have reached a weight of 100 to 125 kilograms and there are very few hogs that weigh less than 80 kilograms. Yet, there is a rather large backlog of hogs in pens within the village. Farmers complain that the state did not purchase any hogs during the first three quarters of 1985. It was not until the start of October that the commerce sector began buying hogs. During the first 3 days, Tho Hai sold 13 tons of pork to the state but seven hogs died. Some died after they had been weighed. Some died before being weighed. A white-haired farmer in his 50's stood in front of his dead hog along the roadside and said: "I spent money on vegetables and bran for 8 months to get this hog up to 120 kilograms and now it is all gone."

When they sell hogs, farmers sign up the day before the sale and catch their hogs the next day, when they are weighed. The distance they must travel is long and the hogs have not been fed. The hogs are bound and carried in the hot sun and sometimes the straps by which they are bound even break. The number of places where procurements are made is small and a crowd of persons is always on hand to sell hogs. Some persons must wait all day. So, it is inevitable that some hogs die. But, in addition to the hog of the white-haired farmer, dozens of other hogs had to be carried back to their pens. Hogs that were taken from pens and bound up for sale had to be taken back and released in the same pens when they could not be sold. Tho Hai Village could have sold more than 10 tons of pork during that sale but the commerce sector was only able to buy a limited quantity.

The new prices being paid for agricultural products have encouraged farmers to develop hog production. However, where markets are sluggish, producers have become confused. This is a matter deserving of concern.

We visited Tho Xuan District and spent some time with the district party committee secretary. He estimated that Tho Xuan has from 500 to 600 tons of pork, live weight, backlogged in pens. We then visited the villages of Xuan Hoa, Xuan Giang, Nam Giang and Tay Ho. Farmers were busy with their winter crops but when they saw the automobile approaching, thinking that commerce personnel had come to buy their hogs, they rushed out to meet us.

As it turns out, hogs are now much more closely associated with state-operated commerce. Because, farmers previously were assigned an obligation to raise hogs; in addition to being paid for their hogs in money, farmers also traded with their agricultural cooperative for paddy. Now, many more hogs are going directly to the commerce sector and either being sold for money or traded for industrial goods, which gives producers incentive.

But it cannot be automatically concluded that the failure of the state to buy hogs promptly is the fault of the commerce sector. This sector has two forces: state-operated commerce and the marketing cooperatives. The district commerce corporation procures hogs and slaughters them for sale to consumers and delivery to the state. The marketing cooperatives are permitted to buy pork as agents and slaughter hogs for local sale and delivery to the upper level. These two economic units now approach hogs much differently than they once did. That is, no one needs to compete to buy hogs and, conversely, not all farmers want to sell their hogs. For example, in Tho Xuan nowadays, hogs can easily be purchased, provided that you have enough money and offer a fair product in trade. On the meat market, the selling prices of state-operated commerce and the marketing cooperatives are the same. The people, cadres...everyone can buy meat at any counter they please. The only difference is that every counter is now more "pleasing to the eye." The meat is fresh, both lean and fatty meat are offered for sale and customers no longer stand there shaking their heads. Consequently, the meat sells faster.

Previously, private dealers competed with the commerce sector to buy hogs. Now, because they cannot make a large profit, they are not buying hogs. Therefore, the private dealers have taken themselves from the hog market.

The two coordinated policies of implementing new prices and managing the market have begun to have an effect.

In Xuan Hoa Village, persons ask: why is there so much meat on sale on the market but so few people buying it? Many hogs are also being raised by the people but why isn't the state buying them? In the town of Tho Xuan, a densely populated place, the slaughtering of hogs is down by nearly one-half from 700 quintals to 1 ton, live weight, per day. One marketing cooperative slaughters two hogs per day and is still unable to sell all the pork it slaughters. There are even many villages in the district that sell good cuts of meat at 21 to 22 dong (new money) per kilogram and still have few buyers.

One thing is certain. With pork prices being what they are, people are not buying pork because they lack the money, but because they have many other consumer needs. In the countryside, 95 percent of farm families raise hogs but 85 percent of families are unable to eat pork. In their meals, they use fish, crabs, snails and eels as well as chickens, ducks, swans and geese they raise. The hogs are raised primarily for sale, but also provide fertilizer for farming. Numerous household expenditures are made with a view toward income from hogs: the construction of a new home, the repayment of debts, the purchasing of clothing, of pens and paper for students, of household utensils... To the wage earner, current economic circumstances are not such that they can eat meat every day, rather, they must mainly eat fish, vegetables, beans and peanuts. Clearly, the pork market today is far different from what it was during the time of subsidization, consequently, meat sales have declined. That the state is not promptly buying pork is something which should be examined. It cannot be explained, as some persons used to maintain, as being due to a lack of cash or only having a small supply of industrial goods and materials with which to procure pork. However, hogs do not wait until there are enough goods and money to grow. With hogs still leaving pens for market each month but not being sold, producers have become less confident about raising hogs. And, when hogs cannot be sold, how can hog production be developed?

Hogs are backed up in pens not only in Tho Xuan District, but in many other districts of Thanh Hoa Province as well. Meanwhile, the quotas on the delivery of pork, live weight, to the state have not been met by the province or the districts. However, it is certainly not because of the shortage of hogs that procurements have been sluggish. A survey taken in the villages of Xuan Hoa, Tho Hai, Nam Giang and Xuan Giang in Tho Xuan District shows that there are more hogs on hand in 1985 than in 1984. Conversely, the number of hogs leaving pens for sale has decreased by one-third compared to last year. Many persons are concerned about hogs in 1986 and subsequent years. If it drags on, the slowdown in the marketing of hogs will have a large effect upon production. The rate at which capital is turned over in hog production will decrease. The meat hog production cycle will become longer, thus affecting investments in feed and future breeding stock, and even the income sources of families will be disrupted. Instead of encouraging producers to raise more hogs and increase the weight per hog, the slowdown in procurements will cause hog herds to gradually decrease in size and the outcome will be a scarcity of hogs.

The secretary of the Tho Xuan District Party Committee stated: at the prices that the state pays for hogs to be exported, Tho Xuan will no doubt export 250 to 300 tons of pork each year. This is over the long range. Because, in order for hogs to be included in exports, a policy must be adopted that encourages producers and provides the district with a profit. At present, however, in order to prevent the hog herd from declining and steadily increase the number of hogs being raised as well as their weight, strengthening the management system within agricultural production is a necessity. That is, farmers used to be assigned an obligation. When they sold their hogs, they received money or paddy in trade with the cooperative. This relationship was quite close. Now, farmers sell their hogs mainly for money and goods received in trade from the commerce sector. Therefore, cooperatives have relaxed their management of the hog herds of farmers. The implementation of product contracts for rice combined with hogs has become a pressing necessity. Farmers will never stop raising hogs altogether because, in addition to the income earned in money, paddy and goods, hogs also provide fertilizer. However, when economic accounting does not closely tie hog production to rice production, farmers will not attach as much importance to hogs as they do to crop production. This is a contradiction that has arisen in the course of implementing the resolution of the 8th Party Plenum. From the province's perspective, it should tear down the fence that is the practice of "closing rivers to traffic and banning markets" in order to encourage marketing cooperatives. Agricultural cooperatives and the districts, in addition to insuring that the assigned plan is met, must seek ways to include hogs in economic ties and trade outside the province and insure that producers earn a profit. However, it is important that the commerce sector improve its procurement practices so that socialist commerce is there to buy hogs whenever and wherever farmers need to sell them.

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HEAVY INDUSTRY AND CONSTRUCTION

EDITORIAL CALLS FOR INCREASED LOCAL COAL PRODUCTION

Hanoi NHAN DAN in Vietnamese 29 Oct 85 pp 1, 4

[Editorial: "Mining Local Coal"]

[Text] In our country, in addition to the large coal mines, there are more than 200 small mines that contain many different types of coal, such as bituminous coal, lignite, high-flame coal, anthracite coal and peat, including many mines that have rather large reserves. These small mines are evenly distributed throughout the provinces of the lowlands, midlands and mountains. So far this year, the mines that are in operation have supplied localities with hundreds of thousands of tons of coal, thus helping to overcome a number of difficulties in production and meet household fuel needs within the locality.

The provinces of Ha Son Binh, Hoang Lien Son, Bac Thai, Ha Nam Ninh, Quang Nam-Da Nang, Long An, Binh Tri Thien and others have been making efforts to accelerate the operations of their small coal mines. Recently, a new form of organization has emerged, the establishment of economic ties in the mining of local coal. For example, Hanoi has sent labor, equipment and capital to Bac Thai to build and operate the Quang Vinh Coal Mine. Meanwhile, some localities are relying upon coal supplied by the central level and have yet to take positive steps to mine the coal available within the locality. The management of coal mining is still marked by many shortcomings, by doing that which is easy and not doing that which is difficult, by only mining rich veins, by a failure to correctly comply with mining technical standards, by little attention to labor safety and by a lack of concern for the interests of mine workers. The production costs of a ton of local coal is still high. Some central sectors are not truly helping the localities with technology, equipment and capital so that they can extract coal from small mines. The resolution of the 5th Party Congress pointed out: in conjunction with increasing the output and quality of coal at large mines, we must make every effort to extract anthracite coal, bituminous coal and peat from local mines. This has become a matter of even greater urgency and importance to localities in view of the fact that the difficulties being encountered in the mining and transportation of coal at the large coal mines of the central level have yet to be correct.

Local coal is a valuable, diverse resource that can be mined quickly and inexpensively. Shipping to localities 1 ton of coal supplied by the central level involves high costs and requires many means of transportation; however, mining local coal saves energy, saves means of transportation and, at the same time, helps to distribute labor locally and provides jobs for more than a few workers.

Increasing the mining of local coal is a pressing requirement, the aim of which is to supplement national energy sources and effectively support the needs of production and everyday life within each locality and area. If each locality provides for some of its own coal, the destruction of the forests will be reduced, hundreds of millions of dong in transportation costs and millions of liters of gasoline and oil will be saved and fuel needs will be quickly met.

If each locality, as well as many localities within the same area join together through economic ties, displays initiative and implements the guidelines "the central level and the locality working together to produce coal, the locality and the army working together to produce coal, the state and the people working together to produce coal," we will surely obtain a significant quantity of additional coal. Appropriate investments must be made in basic investigations and plans must be adopted for making use of manual labor combined with semi-mechanized labor or small machines so that coal can be mined and processed with the highest possible productivity, quality and efficiency. Importance must be attached to restoring those mines at which mining operations have stopped but which still hold economic reserves.

By displaying a spirit of dynamism and creativity and under the new management mechanism based on the guidelines of the resolution of the 8th Plenum, the localities can further accelerate the extraction of coal from small mines and support the local economy and standard of living.

7809
CSO: 4209/146

HEAVY INDUSTRY AND CONSTRUCTION

ADVANCES AT NUI HONG COAL MINE REPORTED

Hanoi NHAN DAN in Vietnamese 29 Oct 85 p 1

[Article: "Nui Hong Coal Mine Reorganizes Production, Raises Coal Mining Productivity"]

[Text] The Nui Hong Coal Mine (Bac Thai Province) of Coal Corporation Number 3 is a small mine. According to its phase one design, this mine produces 100,000 tons of coal annually for supply to the Thai Nguyen Hydroelectric Power Plant and to meet building material production needs, agricultural product processing needs and household fuel needs within the area. The Nui Hong mine enterprise has displayed initiative in its production and business and gradually restructured its production in a manner consistent with a small-scale coal mine. As a result, it has completed 95 percent of its washed coal plan quota for the entire year in less than 10 months, which represents an increase of 35 percent compared to the same period of time last year. Many efforts have been made to market coal, especially during the 3rd quarter, when nearly 25,000 tons of coal were supplied to the provinces of Vinh Phu, Ha Tuyen and Hoang Lien Son and some household fuel was supplied to Hanoi.

In the process of restructuring its production, the mine has attached importance to strengthening its force of shovel operators and truck drivers and has focused efforts on supporting the forces directly engaged in the mining of coal, transferring nearly 5 percent of its indirect workforce to coal mining sites and mining vehicle and equipment repair shops. At present, the enterprise is revising labor quotas and implementing the payment of wages that are closely tied to the final results of production, namely, the payment of a unit price per cubic meter of overburden transported to dumping yards and per ton of washed coal marketed. The power shovel sections of which emulation warrior Nguyen Quang Hao is chief always exceed their productivity quota by 30 to 35 percent. Many trucks are being operated with high productivity. Typical among these isthe truck of Trieu Van Gioi (a member of the Nung minority), which is in operation more than any other truck, is kept clean and in good condition and exceeds the average transportation productivity norm of the transportation unit by 20 to 28 percent.

The Nui Hong mine has also expanded its economic ties with Dai Tu District in order to overcome difficulties with grain and food products and expanded its coordination with the Bac Thai Mining Machine Works and the Son Duong Tin Mine of the Ferrous Metals Smelting Combine (the Ministry of Engineering and Metals) in the production and exchange of materials and spare parts and in gaining experience in the repair of vehicles and equipment.

7809
CSO: 4209/146

HANOI TRADE UNION OFFICIAL INTERVIEWED

Hanoi HANOI MOI in Vietnamese 9 Oct 85 pp 1, 4

[Interview of Pham Loi, member of the Standing Committee of the Municipal Party Committee and Secretary of the Municipal Trade Union Federation: "What Is the Hanoi Trade Union Federation Doing?"; date and place not provided]

[Text] Question: Tell us about the activities of the Hanoi Trade Union Federation to implement the new stands and policies of the Party and state on prices, wages, and money.

Answer: Clearly realizing the role and responsibility of the trade union organization in implementing the stands and policies of the stands and policies of the Party and state regarding prices, wages, and money, the Hanoi Trade Union Federation has drafted a specific action program for the period from now to the end of 1985 and regards it as the central mission of the municipal trade union organization.

The contents of the action program include the following tasks:

First, organizing the supplementation of key cadres of the basic, ward, district, and sector trade unions regarding the basic viewpoints and contents of the policies regarding prices and wages, the social subsidy systems, and the responsibility and tasks of the trade union echelons, especially the basic trade union chapters. The trade union federation carried out that task urgently, from the preparation of materials and reporters to organizing supplementation.

Under the guidance of the Trade Union Federation, the ward, district, and basic trade union chapters have drafted specific plans to campaign for the workers and civil servants to implement price-wage policies and social subsidies. The basic trade union chapters have cultivated cadres from the trade union team level on up and grasped the present wage situation and the economic circumstances and living conditions of the families of workers and civil servants, especially the families with many dependents, in order to set wages and implement the social subsidy systems.

Second, carrying out a step in advance the tasks of grasping and analyzing the situation, recalculating production costs, and setting wages on a trial basis for some categories of cadres, workers, and civil servants in four units: the bicycle enterprise federation, the Food Products Corporation, the 8-3 Textile Mill, and Machine Tools Manufacturing Factory No 1, in order to gain experience for the other bases.

Third, positively participating in market management. The sector trade unions, along with the governmental administrations, are concerned with expanding the commercial network to serve the lives of the people and stepping up the oversight and inspection activities of the workers, and have begun to obtain results in preventing negative phenomenain distribution and circulation.

Fourth, by means of the actual activities of the basic-level trade union chapters we have collected the problems and recommendations of the trade union members, workers, and civil servants, promptly relayed them to the Confederation of Trade Unions and the Municipal Party Committee, and recommended that the echelons and sectors of the municipality take steps to resolve those problems.

Question: In the action programs of the Trade Union Federation you stress the role and responsibility of the basic trade union chapters. What do the principal activities of the basic trade union chapters include?

Answer: The basic trade union chapters must perform the following tasks:

--Doing a good job of propagandizing the lines and policies of the Party and state, and grasp, and do a good job of resolving problems regarding, the thought of workers and civil servants in the unit.

--Participating in setting new wages that are in accord with the policy and the categories, and campaigning for workers and civil servants to implement the systems of piecework wages, wages based on output, and wages tied in with productivity, quality, and effectiveness on the basis of reorganizing production and rationally redistributing labor.

--Along with the directors and heads of the units, doing a good job of implementing the systems and policies regarding social subsidies in accordance with the policies and categories.

--Arranging for workers and civil servants to participate in recalculating production costs, make full, accurate, and prompt initial accounting entries, participate in drafting and implementing rational labor and materials norms, and discuss ways to lower production costs, improve product quality, and economize in production. They must pay special attention to applying scientific-technical advances to production and commerce.

--Encouraging workers and civil servants to struggle against negative phenomena in production, in commerce, and in society at large, and to participate positively in market management.

--By means of those activities, promoting the building of strong basic trade union chapters.

Question: Thus the activity contents of trade unions, especially at the basic level, are very rich. But we know that there are very few cadres who specialize in the trade union work, so what will be done to fulfill those missions well?

Answer: You are correct with regard to the trade union cadre situation. But by trade union methods, i.e. by the methods of mobilizing the masses, organizing them to act, expanding the activities of the mass sections of the trade unions, and making wide use of those tasks in correct accordance with the above-mentioned objectives and contents, it is certain that the trade unions will achieve real results. In basic-level trade union chapters, and some ward and district trade union chapters, have practical activities which have been recognized by the party committee and governmental echelons and have the confidence of the workers and civil servants. The operational contents and modes of the trade unions are to encourage the workers and civil servants to carry out those contents and modes and work with the state organs, while fulfilling their function of inspecting and overseeing the activities of the state organs, according to the functions and missions of the trade unions. The strength of the trade union organization is the strength of groups of workers who are rich in creative spirit and are always closely attached to the workers.

5616
CSO: 4209/110

LABOR

UNSKILLED WORKFORCE CALLS FOR MORE ON-THE-JOB TRAINING

Hanoi NHAN DAN in Vietnamese 29 Oct 85 p 3

[Article by Nguyen Hai Minh, the Ministry of Labor: "Providing Universal Trade Training and Jobs to Youths in the Cities"]

[Text] Between now and the end of this century, due to the 3 percent rate of population growth in previous years, a rather large number of youths will be reaching work age each year, the major of whom will be graduates of general middle schools and basic middle schools who are unable to continue their education. Only about 20 percent of the total number of youths will be accepted into colleges, vocational middle schools and formal trade training schools of the state. The remaining 80 percent of this labor force will be unskilled, unemployed and concentrated mainly in the municipalities, cities and towns. Consequently, providing jobs for youths is a pressing problem of all society.

In order to provide the laborer with a stable job, a stable income and a decent standard of living, besides the various measures involved in providing jobs, providing training first is a matter of key importance. Facts have shown that 80 percent of the youths who receive trade training find stable employment.

In the municipalities, cities and towns, places where the population is dense, the problems of providing trade training and jobs for youths are even more pressing. Some places have adopted the policy of providing universal trade training to all unskilled laborers between the ages of 16 and 35. Ho Chi Minh City has issued a directive on providing universal trade training to youths. The municipality of Haiphong has issued a decision on providing trade training to students upon the completion of their basic or middle general school education if they are unable to continue their education. Other localities have adopted different forms of training, such as work-study training, specialized trade training, apprenticeships and so forth, that are suited to the specific circumstances and conditions of each locality and based on the principle of the state, the basic unit and the people contributing to training together.

Each year, through non-formal types of training, municipalities and cities have provided trade training and jobs to hundreds of thousands of youths, which is an effort that has been very much appreciated by the local people. Ho Chi Minh City, through the "work-study" form of training, has been annually providing training and jobs to 10,000 discharged troops and assault youths and hundreds of thousands of middle school graduates unable to continue their education.

The matter of providing universal trade training to youths is still something quite new. We still face certain limitations in this area and have yet to evaluate or review this effort. However, it is an approach that affords basic advantages, an approach from which the following lessons and experiences can be drawn:

--Through the various kinds of non-formal training, localities have been able to make full use of the space available at their units, forego the expense of building formal schools and classes and have not had to expand their staffs (practically all cadres and instructors are civil servants), which is an approach consistent with our current economic circumstances and conditions. The state must invest roughly 40,000 dong (old money) to train one technical worker at a formal school. However, under this form of training, the cost is only about 2,000 to 2,500 dong per person and the quality of the students upon completion of their training is that of a grade 2/7 or 3/7 worker.

The Haiphong Municipal Labor Service has organized a "work-study" training class at the Haiphong Railroad Car Works, thereby not only saving the state more than 4 million dong (old bank money) in training costs compared to the cost of formal trade training, but also providing trainees with an income of 200 dong per month based on the value of the products produced.

--Universal trade training for youths insures a timely supply of technical labor, is consistent with the requirements of the diversification and continuous development of the production of basic units and provides a reserve corps of technical workers, thereby meeting the emergency needs of basic production units, of the sector that formal training cannot meet. Precisely because of these advantages, a very high percentage of trainees is placed in jobs upon graduation. In the 24th Subward of Tan Binh District (Ho Chi Minh City), 50 to 70 youths are provided with trade training each year. All graduates of this training have been provided with a good job and are earning a stable income. During the past 2 years, Truc Bach Subward (Ba Dinh Ward, Hanoi) has organized trade training for 200 laborers and provided them with local jobs at which they are earning stable incomes.

--The skills in which training is provided are consistent with actual production requirements. There are some trades in which the state does not provide training either because the trade is not a general trade or because the number of persons who need to be trained is very small; therefore, the state is not abreast of the production needs of the basic units.

--Trainees receive their training right at basic production units, where they are close to the practical application of their trade; upon the completion of their training, they immediately go to work in direct production without requiring a period of practical training.

--During the time spent providing training, the basic production unit can get to know its future workers and has good conditions in its favor for selecting and assisting trainees upon the completion of their training.

--During their training, trainees also produce finished products; all materials discarded in production are used in training and the production of new products that support production and serve consumer needs.

Haiphong has organized "work-study" classes in the Haiphong Exported Ready-Made Clothing Plant, the Haiphong Bicycle Parts Factory and the Haiphong Motor Vehicle and Railroad Car Repair Plant, thus helping these enterprises exceed their production plan quotas by 15 percent.

Viewed from the social perspective, trainees are always in touch with practice, with skilled workers and are thus able to learn the workstyle of industrial production, learn the ethics and wholesome way of life of the socialist worker. At the same time, workers display greater responsibility and personally teach trainees how to be good workers who meet the selection standards of the enterprise or basic production unit. If the majority of trainees are already workers, even better conditions exist for these things to be achieved and the effect is that trainees and workers inspire one another.

However, non-formal training also has certain drawbacks that must be overcome:

--The programs and subject matter being taught and learned under the different types of training described above must be standardized nationwide, beginning within each locality that employs these forms of training, and must be recognized from a legal standpoint (that is, be recognized by the awarding of trade skill certificates and training diplomas). Only in this way is it possible to insure that the interests of workers are protected while on the job and when transferred to another job.

--Because the amount of time spent in training is short and the conditions (material bases) under which trainees study and live are difficult, trainees only learn a limited amount of theory compared to formal trade training. Therefore, in the course of their work, enterprises or basic production units should organize on-the-job training classes at night to enhance and increase the knowledge that workers have of their trade, especially with regard to theory, if they did not fully learn this theory during their training. In this way, the gap between the theoretical and practical qualifications of workers who received formal training and those who received non-formal training will be closed in only a short amount of time. If this is done, non-formal training will be of high quality and yield high returns.

Under the light of the resolution of the 8th Plenum, providing universal trade training and jobs to youths is a correct and creative approach to which all levels and sectors, including the various levels of the Youth Union, must give their attention so that this effort is put on a regular, stable basis and the groundwork is laid for us to take the initiative in providing jobs each year to young laborers.
7809
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POPULATION, CUSTOMS, AND CULTURE

LE DUAN COMMENTS ON AUGUST REVOLUTION

Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese Aug 85 pp 9-11

[Article: "General Secretary Le Duan On the August Revolution"]

[Text] The resolution of August 1945 was a glorious people's democratic national revolution by tens of millions of people in our country. It eliminated the state administration of the colonialists and feudalists, founded the Democratic Republic of Vietnam, an independent, democratic country that was truly of the people, and began a new era in the history of our country's development. The victory of the August Revolution was a brilliant success of our people's extremely heroic national liberation movement, which lasted nearly 100 years. It was a victory for Marxism-Leninism in Vietnam and a victory for the correct line toward the democratic national revolution delineated by our Party, which led the people of the entire nation in implementing that line.

The August Revolution was a result of three periods of broad revolutionary campaigns led by our Party. The first was the bourgeois democratic revolutionary campaign in 1930-1931, the high point of which was the Nghe-Tinh Soviet movement. In that campaign the Party emphasized the slogans of expelling the imperialists, overthrowing the feudalists, nationalism and independence, land to the tillers, and the setting up of a worker-peasant regime. The second was the broad democratic campaign from 1936 to 1939. That political campaign rallied millions of the masses to struggle against the colonialist reactionaries and the reactionary monarchists, to demand democracy and the improvement of living conditions, and defend would peace. The third was the national liberation campaign of the Anti-Imperialist National United Front and the Viet Minh Front from the end of 1939-1945. Our Party set up the Viet Minh Front and the national salvation mass associations, built up the armed and semi-armed forces, launched a nationwide national liberation movement and a limited guerrilla war against the Japanese-French fascists, set up the Viet-Bac Liberated Zone and the guerrilla bases, etc.

The victory of the August Revolution created a new source of revolutionary enthusiasm among our people. There arose a revolutionary spirit as strong as a large ocean current.

Political Report of the Party Central Committee at the Third Party Congress, presented by comrade Le Duan on 5 September 1960. "Congress Documents," Vol 1, published by the Central Committee of the Vietnam Lao Dong Party, pp 19, 20

The victory of the August Revolution was a brilliant success of the extremely heroic national liberation struggle waged by the Vietnamese people for nearly 100 years. It eliminated the state of the colonialists and feudalists, founded the Democratic Republic of Vietnam--the first worker-peasant state in southeast Asia--and began a glorious new era in the history of the Vietnamese people. The victory of the August Revolution, as well as the victories of the Vietnamese revolution since then, have proved and contributed to further perfecting the theory of proletarian revolution in Oriental countries.

The August Revolution struck a heavy blow against world imperialism and its colonial system. Therefore, the imperialist aggressors cooperated with one another in attempting to annihilate the Vietnamese revolution.

Under the leadership of the Party, headed by President Ho, the people of the entire nation arose as one to take up arms to save the nation, and resolutely waged an all-round, long-range resistance war by all the people, relied primarily on their own strength, and built a powerful people's army.

The lesson of the August Revolution and the experience of the revolution of the world's people helped the revolutionaries realize that any revolution of a broad mass nature must use both political and military forces and must combine political struggle with armed struggle if it is to win victory. A revolution is an uprising of broad masses who have been oppressed and exploited against the ruling yoke of the oppressors and exploiters, so one must take the viewpoint of mass revolution to understand revolutionary violence, and only by understanding revolutionary violence, the political and military forces, and the political and armed methods of struggle if one is to see the offensive status when the revolutionary situation is ripe. On the other hand, if one takes the view that violence is only armed struggle and thus evaluates the comparison of forces between revolution and counterrevolution only on the basis of the military forces of the two sides, one will commit an error and fail to fully realize the strength of the revolution, and will not dare motivate the masses to arise in revolt. And once the masses have arisen in revolt there will be reluctance to continue the offensive to advance the revolution, or when armed struggle is launched it will be difficult to avoid taking the strategic defensive.

Le Duan, "Advance Enthusiastically Under the Great Banner of the August Revolution," Su That Publishing House, Hanoi, 1967, pp 36, 37, 40 and 41

The October uprising in Russia occurred in the situation of the Czar's army having been defeated at the front, the bourgeois government being no longer able to use the army, and a large part of the troops having joined the revolution.

Our August General Uprising took place in the situation of the Japanese fascists having been completely defeated and not being able to use their army to oppose the revolution, and the pro-Japanese puppet government having disintegrated before the overwhelming strength of the masses.

Thus the experience of many revolutions indicates clearly that an uprising cannot succeed if the enemy are not defeated militarily, while they can still use the tool of violence to oppose the revolution.

Therefore, in the case of the South wanting to advance to a general uprising it is necessary to defeat the enemy army, which will be defeated primarily by our revolutionary armed forces.

Le Duan, "Letter to Muoi Cuc and the Nam Bo Regional Party Committee, 20 April 1961," from "Letters to the South," Su That Publishing House, Hanoi, 1985, pp 46, 47.

If the national democratic revolution is to develop along the lines of socialism it is necessary to solidly establish the leadership of the working class and make the working class and the peasant class the main forces of the revolution. The August Revolution proved that because of the building of forces in both the rural areas and the cities it was possible to rapidly carry out an uprising and win absolute victory.

In the August Revolution of 1945 the uprising which took place almost simultaneously in the North and in the south, especially, in Hanoi, Hue, and Saigon and manifested the extraordianry creativity of our Party and people provided many lessons which we must apply in guiding the revolutionary war and the uprisings in the cities in the South.

Le Duan, "Letter to the Saigon-Gia Dinh Regional Party Committee, 1 July 1967," from "Letters to the South," 1985 pp 159, 160, 186.

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CSO: 4209/113

SCIENCE AND TECHNOLOGY

OFFICIAL COMMENTS ON INFORMATICS REVOLUTION

Hanoi KHOA HOC VA DOI SONG in Vietnamese 1 Sep 85 p 3

[Article by Prof Nguyen Xuan Quynh, Deputy Director of the Electronics and Informatics Technology General Department: "The Electronic and Informatics Revolution"]

[Text] During the past several decades electronics technology has made great advances and contributed to creating the distinctive features of modern science and technology. The acme of microcomputer technology was the appearance of integrated microcomputers, i.e. microcomputers all functional parts of which are concentrated on the same semiconductor chip. The appearance of microprocessors in general and microcomputers specifically has brought about a data processing and informatics revolution in the electronics technology sector.

Informatics is a scientific-technical sector which processes data automatically by means of electronic computers. During the past 10 years informatics technolgoy has developed at a record rate with regard to both "hardware" (the physical components) and "software" (the mathematical support). Microcomputers which harmoniously combined "hardware" and "software" brought about a great leap forward in informatics technology and enabled informatics to exert an increasingly greater effect on society and on everyone's lives. Furthermore, large and very large computers are continuing to appear, such as the Cray 2 computer, which makes 500 million calculations a second. in order to solve extremely complex mathematical problems. People are thinking of computers capable of making 1 billion or more calculations per second.

When viewing the situation of electronics and informatics technology in the world vis-a-vis the scientific-technical revolution in our country in the first phase of the period of transition to socialism, we believe that it is necessary to pay attention to the following characteristics:

--Electronics and informatics technology is developing very strongly and very rapidly, especially with regard to its application. The distance between research and application has been shortened to the point that they coincide with each other, and science has truly become a production force.

--The electronic products have a very strong social nature with regard to both breadth and depth. Practically all well-known electronics goods at present are combinations of the scientific-technical labor value and materials of many places in the world.

--With regard to the developing countries, the electronics industry first all advances from application to basic research, and from the assembly of equipment to the production of components. India learned a profound lesson in that regard and reoriented its investment and research so that they could be more appropriate.

--Modern electronics technology includes "software" and "hardware," which are closely combined, and the value of "software" is becoming increasingly dominant (and may account for 80 percent). That enables the developing countries to have the capability of advancing directly to that key sector.

--If the right direction is selected the electronics industry can quickly attain high effectiveness with little capital. The Southeast Asian countries setting up electronics industries realize that a dollar of capital invested in that sector can be turned over dozens of times a year.

From those characteristics we can see that "electronicsization" is one of the basic contents of the scientific-technical revolution in our country in the initial phase of the transition period and is entirely rational. "Electronicsization" will help us advance directly to advanced science and modern industry with modest capital investments and will quickly bring about high economic effectiveness. "Electronicsization" will exert an all-round effect on the economy and society, essentially change the management mode, and thereby improve labor productivity and improve the people's living conditions.

Although our country's electronics industry has been created only recently, in general the Party and state have been concerned with developing it since the August Revolution. From the simple electronic equipment which served the first international news program about the Declaration of Independence read by Uncle Ho at Ba Dinh Square to the electronics system guiding the missiles which shot down the B-52's of the U.S. bandits,the information received from satellites via the Hoa Sen station, etc., Vietnam's electronics sector has continually grown stronger and made great contributions to the revolutionary undertaking during the past 40 years.

In recent years our country's electronics industry has taken form and includes installations to produce electronics components and civilian and national defense electronic equipment. In addition, the electronics research installations of the Ministry of National Defense, the Vietnamese Institutes of Science, the colleges, the ministries, and the sectors have been formed and have begun to exert a strong effect. Especially, they made positive contributions to opposing the electronics warfare of the U.S. imperialists and contributed to winning the "Dien Bien Phu of the air" victory.

Our informatics sector began to take form at the end of the 1960's, when the first Minsk 22 electronic computers were installed in Hanoi. Then we obtained computers with greater capacities and greater speed, such as the ODRA 1304, the EC-1022, and IBM-360 computers. We effectively applied informatics to management, such as drafting programs to manage cadres, specialized information, materials, banks, etc. electronic computers were used extensively to make scientific-technical calculations, train cadres, an select students. Beginning in 1982 we obtained in addition a number of microcomputers, which began to play a strong role in economic-social management. There were set up at various places in the nation a number of research centers to design and assemble 8-bit and 16-bit microcomputers. Especially, we designed a system to develop applied software that was appropriate to the actual situation. Although our corps of informatics cadres is still young, it is entirely capable of applying mathematics and microprocessing to the economic sectors.

The Party and state have paid all-out attention to building and developing our country's electronics and informatics industry. Under those circumstances, the Electronics and Informatics Technology General Department was formed, with the function of exercising unified state management of the electronics and informatics technology sector. At the same time, the General Department has two principal missions: production and commerce, and scientific research and cadre training.

In order to rapidly contribute to resolving economic-social problems, advance directly to modern science, and bring into play the natural conditions and people of Vietnam, the electronics and informatics technology sector has brought forth an "electronicsization" program which will concentrate principally on resolving the five following principal problems:

1. Researching to increase the reliability and effectiveness of the system of electronic equipment in Vietnam. At present we are using a large number of electronic equipment systems imported from abroad, especially in national defense and security. But because of the environmental and social conditions the effectiveness of that equipment is very low and it often breaks down. Therefore, increasing its reliability and utilization effectiveness has great economic and social significance. Furthermore, that is a true scientific problem which only we can resolve.

2. Researching the mathematical and informatics aspects of the electronic technology sector, specifically researching the wide application of mathematics and informatics technology, especially microprocessing technology in designing, manufacturing, and producing specialized electronic equipment used in communications, public health, measurements, guidance, radio and television, etc. That has helped us keep up with the currents in the world. At the same time, we have built a number of national information processing centers which will soon be capable of joining the internatinal information processing network and taking the most effective "shortcut."

3. Researching and applying technology for manufacturing electronic materials and components from domestic raw materials. Thus we will not immediately begin the production of modern electronic components. Nor do we have to produce all types of components, but concentrate primarily on components that are produced from domestic raw materials, have been tropicalized, and are widely used.

4. Researching the rapid introduction of informatics, especially microprocessing, to economic-social management, and gradually build an informatics industry, including both "hardware" and "software." First of all we must research application and begin with the assembly of informatics equipment to serve the domestic and export needs.

5. Researching and forecasting strategy to develop the electronic industry and informatics technology. That is one of the extremely important matters because electronic technology develops very rapidly, so good strategic forecasting will open the way for the development of science and technology.

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VIETNAM PRODUCES MICROCOMPUTER

Hanoi KHOA HOC VA DOI SONG in Vietnamese 1 Sep 85 p 2

[Article by Bich Ha: "The PC-88 16 Bit 'Bamboo' Microcomputer"]

[Text] To meet the steadily increasing needs for microcomputers, the Electronics Research Institute of the Electronics and Informatics Technology General Department is assembling a 16-bit microcomputer bearing the "Bamboo" label.

The computer may be expanded with hardware and softwareand emulates the following:

+ 8086/8087/8089 to 5 MHz
+ 68000/88008/68010 to 10 MHz
+ Z80/Z80B/Z80H to MHz
+ 8085/8085A-1/808SA-2 to 6 MHz
+ 8048/8748/8040 to 11 MHz

The computer's software is compatible with IBM/PC 16-bit software. The computer is compact, is easy to use and maintain, an operates stably with voltage of between 190 and 260V.

The "Bamboo" microcomputer has been used effectively in economic mangement in many installations, such as the Control Center and Computer Center of Electric Power Corporation 1, the Tri An hydroelectricity plant, the Ha Tien Cement Mill, the Hanoi Yarn Mill, and the Hanoi Silk Plant.

At present the Electronics and Informatics Technology Research Institute is continuing to:

--Design and install computers for the transportation, water conservancy, and other sectors.

--Study capabilities to expand the memory of the computer and increase its calculating speed.

--Research and design some software items for management and production .

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BIOGRAPHIC

INFORMATION ON VIETNAMESE PERSONALITIES

[The following information on Vietnamese personalities has been extracted from Vietnamese-language sources published in Hanoi, unless otherwise indicated. Asterisked job title indicates that this is the first known press reference to this individual functioning in this capacity.]

Nguyễn Thị Bình [NGUYEENX THIJ BINHF]

*Counselor of the SRV Representation at the United Nations; on 11 October 1985 she spoke at a conference on "anti-racism" at the United Nations [Geneva]. (QUAN DOI NHAN DAN 17 Oct 85 p 4)

Hoàng Đình Cầu [HOANGF DINH CAAUF]

Vice Minister of Health; Chairman of the Vietnam Medical Association; on 18 October 1985 he attended an awards ceremony at the Interior Ministry. (QUAN DOI NHAN DAN 19 Oct 85 p 4)

Võ Chí Công [VOX CHIS COONG]

Member of the Political Bureau of the CPV; Secretary of the CPV; on 6 November 1985 he attended a wreath laying ceremony at the Lenin Monument in Hanoi. (NHAN DAN 7 Nov 85 p 1)

Huỳnh Cường [HUYNHF CUWOWNG]

Vice Chairman of the National Assembly; on 9 October 1985 he attended a conference in Hungary to discuss the situation of the two countries. (QUAN DOI NHAN DAN 11 Oct 85 p 1)

Võ Văn Đàng [VOX VAWN DANGF]

Chairman of the Quang Nam-Da Nang Branch of the Vietnam-Laos Friendship Association [VLFA]; on 11-12 October 1985 he was present at the inauguration of the Quang Nam-Da Nang Joint State-private Transportation Enterprise Branch of the VLFA and the Da Nang General Hospital Branch of the VLFA marking the 40th anniversary of independence of Laos. (QUAN DOI NHAN DAN 13 Oct 85 p 4)

Ngô Điền [NGOO DIEENF]

SRV ambassador to the PRK; on 12 October 1985 his delegation, headed by General Secretary Le Duan, arrived in Phnom Penh, Cambodia to attend the 5th General Assembly of the PRK. (QUAN DOI NHAN DAN 13 Oct 85 pp 1, 4)

Trần Đô [TRAANF DOO]

*Member of the CPV Central Committee; chairman of the Culture and Education Committee of the National Assembly; on 20 October 1985 he attended the closing ceremony of the Vietnam Film Festival in Hanoi. (QUAN DOI NHAN DAN 21 Oct 85 pp 1, 4)

Lê Xuân Đồng [LEE XUAAN DOONGF]

*Deputy Chief of the Central Committee Propaganda and Training Department; on 9 October 1985 he was present to welcome a delegation of the Central Committee Propaganda Department of Hungary visiting Vietnam. (QUAN DOI NHAN DAN 12 Oct 85 p 1)

Phan Xuân Đợt [PHAN XUAAN DOWTJ]

Member of the CPV Central Committee; Minister of Forestry; on 13 October 1985 he visited state farms in Duyen Hai District, Ho Chi Minh City. (QUAN DOI NHAN DAN 16 Oct 85 pp 1, 4)

Hoàng Minh Giám [HOANGF MINH GIAMS]

Chairman of the Vietnam Committee for Solidarity and Friendship with People of Other Nations; on 6 November 1985 he attended a meeting at the Cultural Hall in Hanoi to commemorate the 68th anniversary of the October Revolution (7 Nov 1917-7 Nov 1985). (NHAN DAN 7 Nov 85 p 1)

Phạm Văn Hoài [PHAMJ VAWN HOAIF]

Chairman of the People's Committee, Minh Hai Province; recently he welcomed the visiting General Secretary Le Duan to his province. (QUAN DOI NHAN DAN 10 Oct 85 pp 1, 4)

Lê Thị Bích Hoàn [LEE THIJ BICHS HOANF], *Lieutenant Colonel

Deputy Director of the 354th Military Hospital (Internal Medicine); Secretary of the CPV Committee of the hospital; she was commended in an article about talented women of the Rear Service General Department in the cited source. (QUAN DOI NHAN DAN 9 Oct 85 p 1)

Nguyễn Hòa [NGUYEENX HOAF]

Member of the CPV Central Committee; head of the Oil and Gas General Department; on 12 November 1985 he was with a delegation that went to Russia to attend the 11th meeting of the Vietnam-South Inter-governmental Committee. (NHAN DAN 13 Nov 85 p 1)

Vũ Trọng Hòi [VUX TRONGJ HOOIF], Colonel, deceased

Born in 1926 at Lien Phuong Village, Nam Ninh District, Ha Nam Ninh Province; member of the CPV; musician and specialist of the Culture Office, Propaganda and Training Department, Political General Department of the People's Army of Vietnam; member of the Vietnam Musician Association; he died following an illness on 22 September 1985. (QUAN DOI NHAN DAN 14 Oct 85 p 4)

Xuân Hồng [XUAAN HOONGF]

Deputy Secretary General of the Vietnam Musician Association; Secretary General of the Musician Association of Ho Chi Minh City; his article on music in Ho Chi Minh City in the past 10 years appeared in the cited source. (QUAN DOI NHAN DAN 19 Oct 85 p 2)

Lê Thiềt Hùng [LEE THIEETS HUNGF]

Chairman of the Vietnam Committee in Support of Korea; on 8 October 1985 he attended activities marking the 40th anniversary of the Korean Labor Party in Hanoi. (QUAN DOI NHAN DAN 9 Oct 85 p 4)

Trịnh Thái Húng [TRINHJ THAIS HUWNG]

Standing Member of the CPV Committee, Haiphong; Vice Chairman of the People's Committee, Haiphong; on 11 October 1985 he attended the 55th anniversary of the Vietnam's Women Union. (Haiphong HAI PHONG 12 Oct 85 p 1)

Nguyễn Khánh [NGUYEENX KHANHS]

Alternate Member of the CPV Central Committee; Chief of Cabinet of the CPV Central Committee; recently he was with a delegation that went to Japan to attend the 17th Congress of the Japanese Communist Party. (NHAN DAN 16 Nov 85 p 1)

Nguyễn Nam Khánh [NGUYEENX NAM KHANHS], Lieutenant General

Member of the CPV Central Committee; Deputy Chief of the PAVN Political General Department; on 17 October 1985 he was present at a conference with an Ethiopian Labor Party Delegation. (QUAN DOI NHAN DAN 18 Oct 85 pp 1, 4)

Lê Khả [LEE KHAR]

Vice Minister of Communications and Transportation; he gave a speech at a congress of his ministry on 24-25 October 1985. (GIAO THONG VAN TAI 31 Oct 85 p 1)

Nguyễn Phi Khường [NGUYEENX PHI KHUWOWNG], *Lieutenant Colonel

Commander of a regiment in frontline position; he was mentioned in an article about his experience in 1972 in the cited source. (QUAN DOI NHAN DAN 14 Oct 85 p 2)

Nguyễn Lam [NGUYEENX LAM]

Secretary of the CPV Central Committee; Chief of the Central Committee Economics Department; on 16 October 1985 he attended a ceremony in Hanoi marking the 30th anniversary of the State Planning Sector. (QUAN DOI NHAN DAN 18 Oct 85 p 1)

Trần Văn Lễ [TRAANF VAWN LEEX], *Colonel

Head of the 7.A Military Hospital; he was mentioned in an article about his unit in the cited source. (QUAN DOI NHAN DAN 21 Oct 85 p 2)

Nguyễn Thị Ngọc Liên [NGUYEENX THIJ NGOCJ LIEEN]

*Member of the CPV Central Committee; on 12 October 1985 she was with a delegation that went to Cambodia to attend the 5th Congress of the Kampuchean People's Revolutionary Party. (Haiphong HAI PHONG 13 Oct 85 p 1)

Nguyễn Văn Lường [NGUYEENX VAWN LUWOWNG]

Deputy Secretary of the CPV Committee Binh Tri Thien Province; Chairman of the People's Committee, Binh Tri Thien Province; recently he led a delegation headed by the Vice Chairman of the Council of Ministers, Dong Si Nguyen, to inspect the flooded area in his province. (QUAN DOI NHAN DAN 11 Oct 85 pp 1, 4)

Trần Đức Lường [TRAANF DUWCS LUWOWNG]

Alternate member of the CPV Central Committee, head of the Geology General Department; on 21 October 1985 he spoke at a ceremony marking the 30th anniversary of the geology branch. (QUAN DOI NHAN DAN 23 Oct 85 p 1)

Lê Thanh Nghị [LEE THANH NGHIJ]

Member of the Central Committee of the CPV; Vice Chairman and Secretary General of the Council of State; on 6 November 1985 he attended a wreath laying ceremony at the Lenin Monument in Hanoi. (NHAN DAN 7 Nov 85 p 1)

Đỗ Hữu Nghĩa [DOOX HUWX NGHIAX]

Deputy Director of the Vietnam Civil Aviation General Department; recently he headed a delegation to Poland to attend CEMA's fifth conference on the employment of airlines to serve national economies. (QUAN DOI NHAN DAN 10 Oct 85 p 4)

Bùi Phùng [BUIF PHUNGF]

*Member of the CPV Central Committee; member of the Economic, Planning and Budget Committee of the National Assembly; on 9 October 1985 he was present at a conference in Hungary to discuss the situation of the two countries. (QUAN DOI NHAN DAN 11 Oct 85 p 1)

Hồng Thị Phường [HOONFG THIJ PHUWOWNG], *Lieutenant Colonel

Deputy Chief of the 7.A Military Hospital; she was mentioned in an article about her unit in the cited source. (QUAN DOI NHAN DAN 21 Oct 85 p 2)

Trần Văn Quang [TRAANF VAWN QUANG], Colonel General

Vice Minister of National Defense; on 6 November 1985 he attended a meeting at the Cultural Hall in Hanoi to commemorate the 68th anniversary of the October Revolution (7 Nov 1917-7 Nov 1985). (NHAN DAN 7 Nov 85 p 1)

Hoàng Quy [HOANGF QUY]

Member of the CPV Central Committee; Minister and First Deputy Chief of the State Planning Commission; on 16 October 1985 he spoke at a ceremony in Hanoi marking the 30th anniversary of the State Planning Sector. (QUAN DOI NHAN DAN 18 Oct 85 p 1)

Ung Răng [UNG RAWNG], Colonel

His article "Attach School With the Battlefield" appeared in the cited source. (QUAN DOI NHAN DAN Oct 85 pp 19-28)

Trần Tằn [TRAANF TAANS]

Alternate member of the CPV Central Committee; Deputy Secretary of the Municipal CPV Committee, Hanoi; on 20 October 1985 he attended the signing of an agreement for economic and cultural cooperation between Hanoi and Prague. (QUAN DOI NHAN DAN 21 Oct 85 p 1)

Phạm Thái [PHAMJ THAIS] aka: Lương Văn Rược [LUWOWNG VAWN RUWOWCJ], Colonel deceased

Born in 1926 at Hong Viet Village, Dang Hung District, Thai Binh Province; member of the CPV; former Chief of the Criminal Affairs Investigation Department of the Ministry of National Defense; former member of the Provincial CPV Committee, Nam Dinh Province; he died on 16 October 1985 following an illness at the 108th Military Hospital in Hanoi. (QUAN DOI NHAN DAN 18 Oct 85 p 4)

Huỳnh Công Thân [HUYNHF COONG THAAN]

Chairman of the People's Committee, Long An Province; recently he welcomed a delegation from the newspaper QUAN DOI NHAN DAN to his province. (QUAN DOI NHAN DAN 19 Oct 85 pp 1, 4)

Đào Thiện Thi [DAOF THIEENJ THI]

Minister of Labor; chairman of the Vietnam-Ethiopia Friendship Association; on 17 October 1985 he spoke at a reception for a visiting Ethiopian Labor Party delegation at the friendship house in Hanoi. (QUAN DOI NHAN DAN 20 Oct 85 pp 1, 4)

Lý Trần Thi [LYS TRAANF THI] *Colonel

Head of the 7th Military Hospital; his article about his hospital appeared in the cited source. (QUAN DOI NHAN DAN 17 Oct 85 p 2)

Đỗ Thị Thiệp [DOOX THIJ THIEEP]

Member of the Secretariat of the Central Committee of the Vietnam Confederation of Trade Unions; on 15 October 1985 she spoke at a conference about the development of women laborers and civil servants. (QUAN DOI NHAN DAN 16 Oct 85 pp 1, 4)

Nguyễn Minh Tiến [NGUYEENX MINH TIEENS]

Vice Minister of Interior; on 18 October 1985 he attended an awards ceremony at his ministry. (QUAN DOI NHAN DAN 19 Oct 85 p 4)

Hoàng Tư Trai [HOANFG TUW TRAI]

Deputy Director General of the Vietnam News Agency; Secretary General of the Vietnam Photography Association; on 12 October 1985 he attended an award ceremony marking the 40th anniversary of the Public Security Branch and the 1st Physical Education and Sports Congress. (QUAN DOI NHAN DAN 14 Oct 85 p 4)

Đỗ Trinh [DOOX TRINH] *Lieutenant General

Deputy Director of the National Defense Advanced Military Academy; on 18 October 1985 he welcomed a delegation of the Indonesian National Defense Academy to Hanoi. (QUAN DOI NHAN DAN 19 Oct 85 p 1)

Trần Văn Tuấn [TRAANF VAWN TUAANS]

Member of the Hanoi Municipal CPV Committee; Secretary of the Ho Chi Minh Communist Youth Union of Hanoi City, on 20 October 1985 he attended the signing of an agreement for economic and cultural cooperation between Hanoi and Prague in Hanoi. (QUAN DOI NHAN DAN 21 Oct 85 p 1)

Nghiêm Túc [NGHIEEM TUCS] *Colonel

Deputy Editor-in-Chief of the TAP CHI QUAN DOI NHAN DAN; on 16 October 1985 he spoke at a closing ceremony of a military sports contest in Ho Chi Minh City. (QUAN DOI NHAN DAN 17 Oct 85 pp 1, 4)

Hoàng Tùng [HOANGF TUNGF]

Secretary of the CPV; on 6 November 1985 he attended a wreath laying ceremony at the Lenin Monument in Hanoi. (NHAN DAN 7 Nov 85 p 1)

Trường Tùng [TRUWOWNG TUNGF]

Vice Chairman of the People's Committee, Hanoi; on 20 October 1985 he attended the signing of an agreement of economic and cultural cooperation between Hanoi and Prague for 1986-87 in Hanoi. (QUAN DOI NHAN DAN 21 Oct 85 p 1)

Phan Ngọc Tường [PHAN NGOCJ TUWOWNGF]

Alternate Member of the Central Committee of the CPV; Minister of Building; on 12 November 1985 he was with a delegation that went to Russia to attend the 11th meeting of the Vietnam-Soviet Inter-Governmental Committee. (NHAN DAN 13 Nov 85 p 1)

Bùi Thanh Vân [BUIF THANH VAAN] Major General

Deputy Commander and Chief of Staff, 7th Military Region; on 13 October 1985 he spoke at the opening ceremony of an army sports contest in Ho Chi Minh City. (QUAN DOI NHAN DAN 14 Oct 85 pp 1, 4)

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